



NÁRODNÁ BANKA SLOVENSKA



Monetary Survey

May 2007

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**Abbreviations**

ARDAL	Agentúra pre riadenie dlhu a likvidity – Agency for Debt and Liquidity Management
BCPB	Burza cenných papierov v Bratislave – Bratislava Stock Exchange
BRIBOR	Bratislava Interbank Offered Rate
CDCP SR	Centrálny depozitár cenných papierov SR – Central Securities Depository of the Slovak Republic
CPI	Consumer Price Index
ECB	European Central Bank
EMU	Economic and Monetary Union
EU	European Union
Eurostat	Statistical Office of the European Communities
FDI	Foreign Direct Investment
Fed	Federal Reserve System
FNM	Fond národného majetku – National Property Fund
FRA	Forward Rate Agreement
GDP	Gross Domestic Product
GNDI	Gross National Disposable Income
GNI	Gross National Income
HICP	Harmonised Index of Consumer Prices
HZL	hypotekárne záložné listy – mortgage bonds
IMF	International Monetary Fund
IPI	Industrial Production Index
IRF	Initial Rate Fixation
IRS	Interest Rate Swap
MFI	Monetary Financial Institutions
MMIF	Money Market Investment Funds
NARKS	National Association of Slovak Real Estate Agencies
NBS	Národná banka Slovenska – National Bank of Slovakia
NEER	Nominal Effective Exchange Rate
NPF	National Property Fund
OIF	Open-end Investment Funds
p.a.	per annum
p.p.	percentage points
PPI	Producer Price Index
REER	Real Effective Exchange Rate
repo	repurchase operation
RULC	Real Unit Labour Costs
SASS	Slovenská asociácia správcovských spoločností – Slovak Association of Asset Management Companies
SAX	slovenský akciový index – Slovak Share Index
SDX	slovenský dlhopisový index – Slovak Bond Index
SDXG	SDXGroup
Sk, SKK	Slovak Koruna
SKONIA	Slovak OverNight Index Average
SO SR	Statistical Office of the SR
SR	Slovenská republika – Slovak Republic
SRT	Sterilisation Repo Tender
ULC	Unit Labour Costs
VAT	Value Added Tax

Symbols used in the tables

- . – Data are not yet available.
- – Data do not exist / data are not applicable.
- (p) – Preliminary data



1 Summary

Consumer prices, expressed in terms of the Harmonised Index of Consumer Prices (HICP), remained unchanged in May compared with the previous month. The year-on-year rate of headline inflation reached 1.5%. Core inflation (excluding energy and unprocessed food prices) recorded a year-on-year rate of 1.7%.

Expressed in terms of the Consumer Price Index (CPI), consumer prices remained unchanged in May, at the level of the previous month. The 12-month headline and core inflation rates reached 2.3% and 2.2% respectively.

Real gross domestic product increased by 9.0% in the first quarter of 2007.

The M3 monetary aggregate (according to the ECB's methodology) grew month-on-month by SKK 8.8 billion in April, and its year-on-year dynamics weakened in comparison with March, to 16.4%.

The total volume of MFI receivables from residents (including securities issued by clients and held by MFIs, according to ECB methodology) increased month-on-month by SKK 10.6 billion in April, and the year-on-year growth rate accelerated by 0.5 of a percentage point, to 13.8%.

The average interest rate on new loans to non-financial corporations dropped in April by 0.28 of a percentage point, to 5.64%, and that on new loans to households fell by 1.4 percentage points, to 11.16%. Over the same period, the average rate for new deposits from non-financial corporations dropped by 0.06 of a percentage point, to 2.11%, and that for new household deposits fell by 0.08 of a percentage point, to 0.99%.

At the end of May, the State budget of the SR recorded a deficit of SKK 13 billion.

The foreign exchange reserves of the NBS (at current exchange rates) reached USD 17.6 billion in May. The volume of reserves at the end of the month was 3.7 times greater than the volume of average monthly imports of goods and services to Slovakia during the first four months of 2007. At the end of April, the coverage of average monthly imports (imports of goods and services according to data from banking statistics) by the official foreign exchange reserves corresponded to 4.8 times the volume of average monthly imports of goods and services to the SR over the first four months of 2007.

The Národná banka Slovenska conducted no foreign exchange interventions in May.

According to preliminary data, the balance of payments on current account for January to March 2007 resulted in a deficit of SKK 3.6 billion. Over the same period, the capital and financial account generated a surplus of SKK 56.4 billion. From January to April, the current account produced a deficit of SKK 2.4 billion and trade resulted in a shortfall of SKK 2.9 billion.

In May, the average daily sterilisation position of the NBS increased in comparison with April by SKK 5.12 billion, to SKK 382.18 billion.



2 External Economic Environment

In the first quarter of 2007, the global economy continued to expand at a relatively robust pace, though its dynamics weakened slightly. Weaker economic activity was mainly recorded in the OECD countries, where the rate of GDP growth slowed over the first quarter of 2007 to 0.6%, compared with 0.8% in the fourth quarter of 2006 (1.1% in the first quarter of 2006). Despite a certain slowdown, the pace of economic growth in the euro area reached relatively high levels. The year-on-year growth in euro-area GDP exceeded the rate of growth in the US economy in the first quarter of 2007 by more than one percentage point. Price developments continued to be influenced by changes in energy prices. Inflation in the OECD countries rose slightly in comparison with the end of 2006, to 2.4% in the first quarter of 2007. In April 2007, however, it fell to the December level (2.2%). Inflationary pressures remained broadly moderate. Risks to the global economy remain the possibility of further increases in oil prices, concerns about global imbalances, and a rise in protectionist pressures in global trade.

Commodity Markets

After falling somewhat in January, oil prices again increased in February, and especially in March, to USD 66.70/barrel, which was 18.2% more than at the beginning of 2007. The rise in oil prices can be ascribed to the lowering of production quotas in the OPEC countries, geopolitical tensions, rebounding demand growth, the approaching summer season in the United States, and the limited production capacity of oil refineries. As a result, oil prices were fairly volatile, but remained at elevated levels (at USD 67.88/barrel on 31 May).

After falling slightly at the beginning of January, the prices of other global commodities showed a rising tendency in the following months. Increases were mainly recorded in the prices of agricultural commodities and other industrial raw materials.

The United States of America

In the first quarter of 2007, economic growth in the United States slowed to 0.6%, from 2.5% in the previous quarter. In comparison with the same period a year earlier, the US economy expanded by 1.9%. The slowdown in economic growth was mainly caused by a decline in exports, growth in imports, and a cut in federal government expenditure. The downturn in construction activity and investment in buildings continued. Private consumption growth remained sustainable, owing to the favourable trend in employment, income growth, and business investment.

Inflationary pressures increased somewhat in the first quarter, as a result of a rise in energy and food prices. The year-on-year inflation rate reached 2.8% in March, representing a rise of 0.3 of a percentage point compared with December. This was followed by a slight fall in April 2007, to 2.6%.

At its meetings held in the first quarter, the Federal Open Market Committee (FOMC) decided to keep its target for the federal funds rate unchanged. Thus, it has remained unchanged since June 2006, at 5.25%. At its April and May meetings, the FOMC again decided to leave the federal funds rate unchanged.

BOX 1

Impact of the Residential Property Market on Economic Growth in the United States

One of the possible risks to global economic growth is the residential property market development in the United States. There is concern that stagnation in the real estate sector may lead to a decline in consumption by American households, which may cause a slowdown in the pace of economic growth in the United States, with a subsequent impact on the global economy.

The main components of household expenditures, which influence the level of demand and prices on residential property markets in the United States, are household spending and investment in housing construction. Further factors affecting residential property prices are the rate of unemployment, interest levels, future monetary policy decisions, and share market developments.

The unfavourable situation on the residential property market has persisted since the middle of 2005, when interest rates showed a rising tendency. Construction costs and the number of houses built and sold were decreasing. In evaluating the residential property market, a dis-

inction should be made between the market for newly built houses and the market for existing houses, which follow different trends. The market for new houses saw a decrease in the number of newly built houses, accompanied by an increase in unsold new houses (stockpiling). A positive phenomenon is that this sector witnessed no drops in residential property prices. Recession is mostly observed in the sector of existing houses. At times of low interest rates, old houses were also purchased by the low-income groups of the population, which are currently unable to repay their mortgage loans and are forced to sell their houses. Thus, the number of sold existing houses decreased, their supply increased and price levels dropped.

Despite the recession in the real estate sector, household consumption remains relatively strong. The rise in interest rates and the subsequent increase in household expenditure on mortgage loan repayments were relatively poorly reflected in household consumption. The higher interest rates and mortgage loan prices were offset by the favourable situation on the labour market, the falling unemployment rate and growing incomes. Hence household consumption remained at a relatively balanced level. The rising prices of financial assets and the related creation of additional funds also had a favourable influence on consumer demand. From the ownership of financial assets, however, only part of the households earn a profit, mostly those with higher incomes.

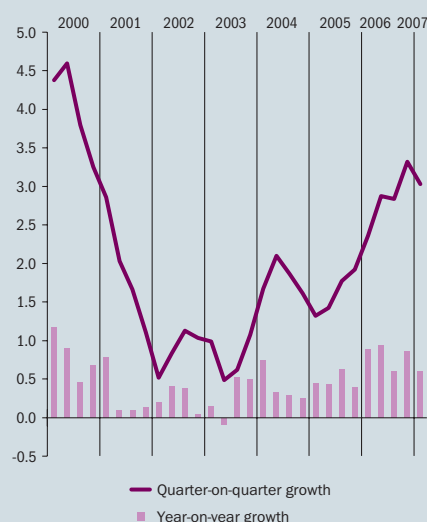
Recession in the real estate sector, however, negatively influenced the growth of mortgage lending, and was reflected in the tightening of credit conditions. Purchases of financial assets are also on the decline, which may lead to a decrease in future additional incomes of households.

Despite the latest positive data in the sector of newly built houses, the process of recovery in the real estate sector in the UNITED STATES will probably last longer than originally expected. Growth in the industrial sector and services partly offsets the slowdown in GDP growth caused by recession in the real estate market. Thus, the current situation in the real estate market represents no major threat to the US economy and the so-called 'soft landing' scenario will probably be confirmed. The recession in the real estate sector of the United States can be regarded as a 'local problem', which is not likely to have a significant impact on global economic growth.

Euro Area

Economic growth in the euro area moderated in the first quarter of 2007. Despite slowdowns in numerous advanced economies, the euro area economy continued to grow at a relatively fast pace. In the first quarter of 2007, real GDP¹ grew in comparison with the previous quarter by 0.6%. This represented a moderate slowdown in comparison with the figure for the fourth quarter of 2006 (0.9%). Compared with the same period a year earlier, the economy expanded by 3% and its year-on-year dynamics weakened to a similar extent (3.3% in Q4, 2007). Despite this slowdown, economic growth in the euro area reached a relatively high level by historical standards.

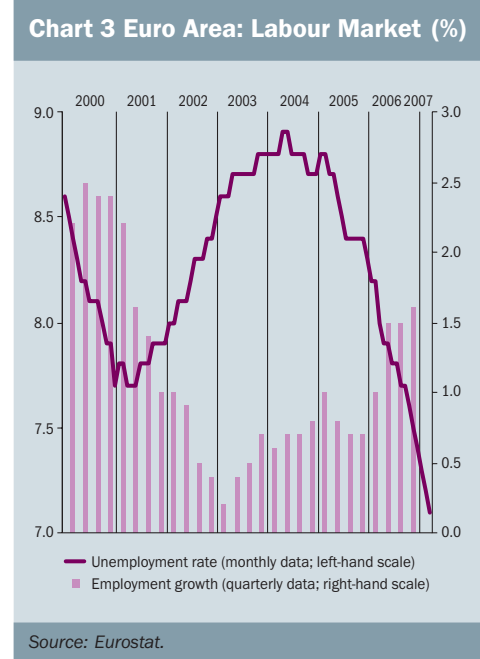
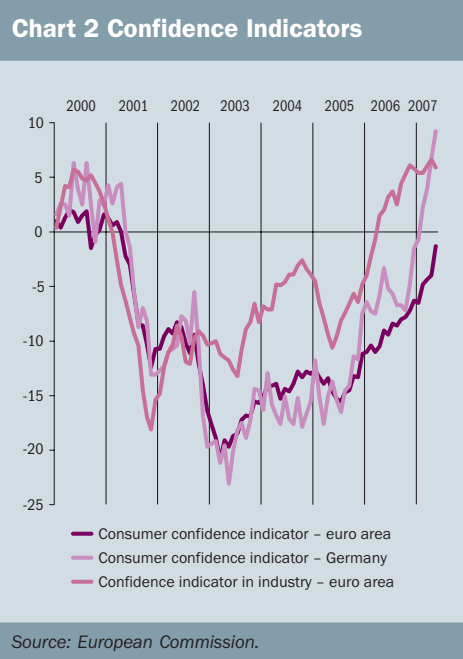
Chart 1 Euro Area: Economic Growth (at constant 2000 prices, in %)



Source: Eurostat.

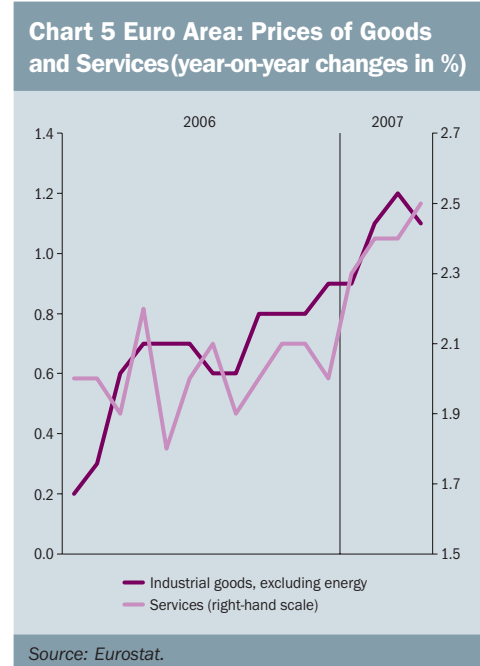
The economic growth in the first quarter was mainly stimulated by dynamic investment demand (a quarterly fixed investment growth of 2.5%) and a modest increase in exports. Extraordinary strong investment growth was recorded in the German economy (4.2%). This was supported by a favourable trend in export performance and revival in construction. The opposite effect on the euro area economy was exerted by a faster growth in imports and a decline in private consumption (by 0.1% quarterly), which was mainly connected with the VAT increase in Germany. This step, however, had no negative impact on the manufacturing industry, since the short-term fall in demand was absorbed by an increase in inventories. The economic sentiment indicator in industry, as well as the consumer confidence indicator, indicate that the relatively dynamic economic growth will continue. In the case of Germany, the consumer confidence indicator also reached high levels, thus the VAT increase should only have a short-term effect.

¹ Adjusted for seasonal and calendar effects, Eurostat - flash estimate.



Labour market developments also confirmed the strong economic growth and may thus contribute to the increase in consumer demand. Employment growth in 2006 gradually accelerated and the falling trend in unemployment from 2005 and 2006 persisted even in the first four months of 2007. Its level reached 7.2% at the end of the first quarter, representing a year-on-year fall of 1 percentage point. The unemployment rate also continued to fall in April (to 7.1%). Over the first four months of 2007, the unemployment rate dropped by 0.4 of a percentage point.

The year-on-year inflation rate, as measured by the HICP, was stable during the first quarter of 2007, and reached 1.9% in March. Inflation recorded the same year-on-year rate in April and hovered around this level even in May (according to Eurostat's flash estimate). Thus, the year-on-year increase in consumer prices remained unchanged in comparison with the end of 2006. Certain changes were also observed in the structure of price inflation. While the contribution of energy price adjustments decreased, that of core inflation² increased. A rising trend was mostly recorded in the prices of industrial



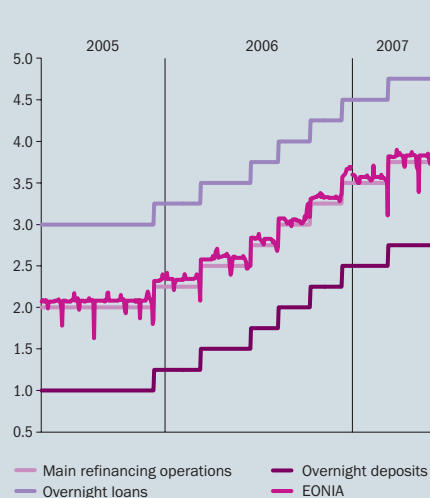
² Overall inflation, excluding energy and unprocessed food prices.

Chart 6 Exchange rate: USD/EUR


Source: ECB.

goods, excluding energy and services prices. Apart from the upward impact of the German VAT increase, this development may indicate higher input costs and possible demand-based effects on price developments. According to a recent ECB analysis, the contribution of administrative prices to overall HICP inflation amounted to 0.4 of a percentage point in March 2007, which corresponded to the long-term average from 2003.³

From the beginning of 2007 to the end of April, the exchange rate of the euro against the dollar followed an appreciating trend: the single currency strengthened during that period by 2.52%. The strongest rate vis-à-vis the dollar since the adoption of the euro in 1999 (USD/EUR 1.365) was recorded on 25 April 2007. In May, the appreciation of the euro moderated. The exchange rate was influenced by the cyclical evaluation of future developments in the United States and the euro area. While the US economy is influenced by persisting concerns about a marked slowdown in economic growth and concerns about residential property market developments, data released on the euro area confirm the expectations of a relatively robust economic revival, especially in Germany. The differences in the evaluation of business cycles are also reflected in the narrowed interest rate differentials between these two economic areas.

Chart 7 Key ECB Interest Rates and the EONIA (%)


Source: ECB.

Over the course of 2007, the European Central Bank increased its key interest rates on two occasions at the beginning of March and June, equally by 0.25 of a percentage point. Thus, the rate for main refinancing operations reached 4%. The first increase was approved by the Governing Council at the beginning of March. The reason for the monetary policy tightening was an increase in upside risks to inflation. These were connected with the possibility of renewed oil price increases and further increases in regulated prices and indirect taxes, as well as with the accelerated wage growth in an environment of relatively dynamic economic progress. According to the ECB, a risk to price stability was also posed by the rapid growth of M3 and bank lending. The next increase in the key ECB rates took place at the beginning of June. This decision of the Governing Council was justified by risks to inflation, coupled with faster-than-expected wage growth in an environment of strong economic growth and improving labour market conditions. The Governing Council warned that, in some of the market segments with lower competition, the

price setting force on the supply side is on the increase. A risk to price stability is also posed by the continuing monetary expansion. Despite these two interest rate adjustments, the ECB's monetary policy continues to be accommodative.

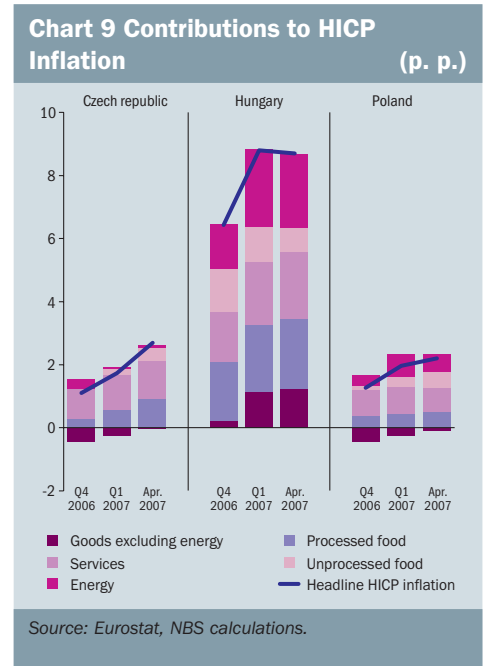
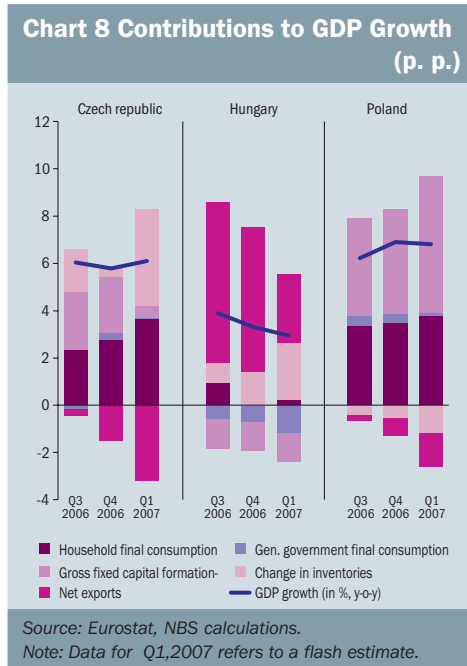
Visegrad Countries (V4)

In the first quarter of 2007, economic developments in the three neighbouring countries confirmed the trends from the second half of 2006. In the Czech Republic and Poland, economic growth continued at virtually unchanged rates (6.1% and 6.9% year-on-year, respectively). The source of growth was private consumption and investment, while the negative contribution of net exports deepened somewhat. In Hungary, net exports still constituted the principal source of economic growth (together with supplies). As a result of stagnating household consumption and declining investment in net terms, the pace of economic growth continued to slow in the first quarter, to 2.9% (compared with 3.3% in the final quarter of 2006).

³ European Central Bank, Monthly Bulletin May 2007



In the first four months of 2007, the rising trend in inflation continued in all three neighbouring countries. In Hungary, inflation accelerated in comparison with the last quarter of 2006, by 2.4 percentage points (to 8.8%). This was a result of changes in energy prices (mainly administrative price increases) and steeper increases in non-energy industrial goods prices. Price developments in the Czech Republic and Poland recorded an acceleration of approximately 0.7 of a percentage point in the first quarter, to 1.7% and 2% respectively. This can mainly be explained by the disappearance of the dampening impact on the prices of tradable goods. In April, the Czech Republic's inflation rate picked up further, owing to an acceleration in food prices. Prices continued to rise for cigarettes, reflecting (in the first months of 2007) the pass-through of changes in excise duties on tobacco products from April 2006. In Poland, the contribution of food prices increased somewhat in April. Inflation in the Czech Republic and Poland slightly accelerated in April, to 2.7% and 2.2% respectively.



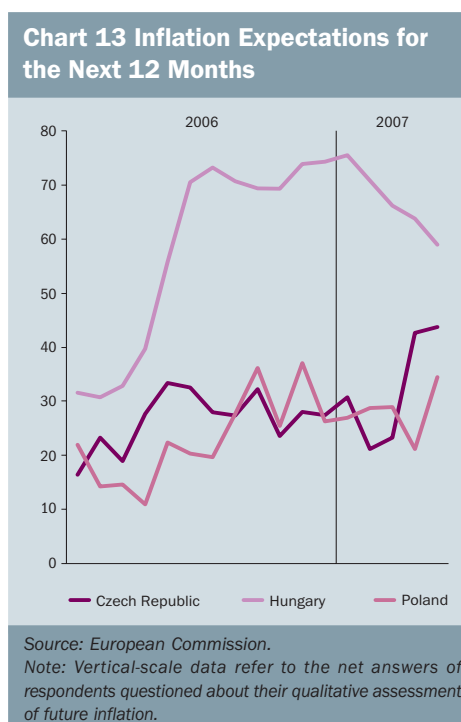
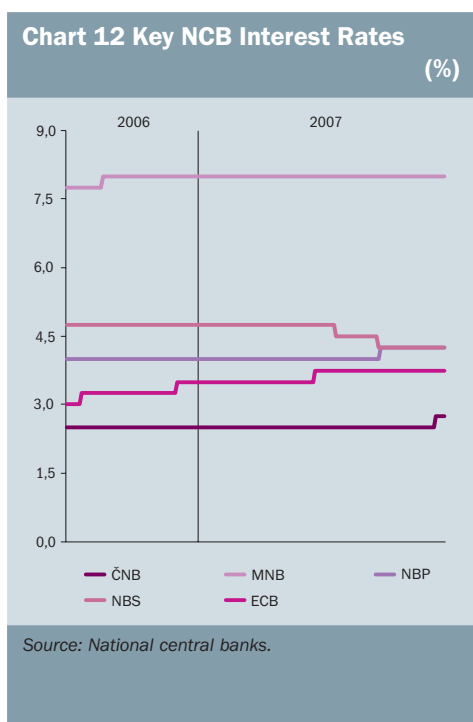
The disappearance of the dampening effect of non-energy industrial goods prices in the Czech Republic and Poland was probably also supported by the exchange rate developments of their currencies vis-à-vis the euro. In the first five months of 2007, the year-on-year appreciation continued to slow for both the koruna and the zloty. On the other hand, the forint appreciated on a year-on-year basis (as of



February 2007). This was due to changes in the risk premia of Hungarian assets, which fell as a result of renewed trust in fiscal measures.

The exchange rates of V4 currencies showed several common features during the year (to date). This points to the tendency of the markets to perceive these currencies as belonging to a single region. An exception in this respect was the Czech koruna, which has followed a gradually weakening trend since the beginning of the year.

In the first five months of 2007, two central banks decided to change their key interest rates (equally by 25 basis points). With effect from 25 April, Narodowy Bank Polski raised its key rate to 4.25%. The main reason was domestic demand, which is estimated to exceed GDP in terms of growth. Concerns also emerged over the labour market, which is characterised by a steep increase in employment. The CNB raised its key rate to 2.75% with effect from 1 June, in reaction to the inflation rate recorded in April, which was higher than the forecast for April. The risk of pressures from the real economy also increased. Inflationary pressures may also be produced by the renewed growth in the euro area and the further depreciation of the koruna. So far, the MNB has left its key rate at 8%, with persistent risks to inflation (both upside and downside risks). On the one hand, domestic demand slowed as a result of strict fiscal measures adopted in the final quarter of 2006 and the first quarter of 2007. The inflation expectations of Hungarian consumers also declined in comparison with the second half of the previous year (as from January). On the other hand, these expectations are still at a high level. They represent the main risk to inflation on the upside.



BOX 2

New Inflation Target and Changes in the Communication Policy of the CNB

At the beginning of March, the CNB announced a new inflation target for the period until 2010 and changes in the communication of its monetary policy decisions. Starting from 2008, the CNB will publish its future rate trajectory consistently with the forecast, as well as the votes on interest rate adjustments by the board members by name. With effect from 2008, the Board of the CNB will hold eight meetings per year on monetary policy, instead of monthly meetings. The postponement of the country's euro adoption date to 2010 has created room for setting a longer-term inflation target. Slower changes in the structure of relative prices should be considered, as well as increases in the weights of non-regulated tradable items in the consumer basket. The new inflation target ($2\% \pm 1$ percentage point) will be effective



from 1 January 2010 to the date of changeover to the euro. Up to that time, the current target ($3\% \pm 1$ percentage point) announced in March 2004 for the period from January 2006 to December 2009 will be applied.

BOX 3

The Introduction of the Euro in Slovenia as of 1 January 2007 (Report by the European Commission, COM (2007) 233 Final, 4 May 2007)

Following Slovenia's request of 2 March 2006, the European Commission and the ECB prepared their respective Convergence Reports, examining whether the Slovenian economy had met the convergence criteria laid down for entry into the euro area. Following the Commission's proposal, the Council decided on 11 July 2006 to abrogate Slovenia's derogation. It furthermore decided on Slovenia's euro adoption date (1 January 2007) and on the conversion rate of the tolar vis-à-vis the euro.

Based on Slovenia's Master Plan for the euro changeover, this process took place according to the 'Big-bang scenario', which means that euro banknotes and coins were introduced on the same day as the official date of adoption of the single European currency (1 January 2007 in the case of Slovenia). The period of dual circulation extended from 1 to 14 January 2007.

In the process of the euro changeover, Slovenia benefited greatly from the fact that most Slovenian citizens were already familiar with the euro well before it became their national currency (1 January 2007). Survey results in the new Member States (of September 2006) indicated that the Slovenes were the most familiar with the euro cash, since 95% had already seen euro banknotes (against an average of 77% for the other new Member States) and 93% had already seen euro coins (against an average of 70%). As early as 5 January, approximately 50% of the respondents reported that they had only euro banknotes and coins in their wallets and purses. On 4 January, more than half of all cash payments were conducted in euro. Slovenia's successful changeover to the euro should definitely be attributed to its pro-active and timely preparations, which had started before January 2005, when the country's national changeover plan was adopted.

The cash changeover constitutes the most visible element of the national changeover. Its success is largely dependent on the early supply by the national central bank, i.e. before the euro changeover date (-day), of euro banknotes and coins to banks and other financial institutions ('frontloading'). In turn, commercial banks are required to ensure that enterprises involved in cash-related operations, and retailers in particular, are supplied with euro cash before -day ('sub-frontloading'), notably to allow them to be able to give change exclusively in euro, thus avoiding the recycling of legacy currency. In the case of Slovenia, the frontloading of banks with euro coins started on 25 September 2006, and on 29 September 2006 as regards euro banknotes. The sub-frontloading of enterprises with euro cash started in the course of December 2006. Sub-frontloading played a relatively modest role compared with the cash changeover in 2002.

The original Master Plan provided for a period of dual circulation limited to a single week, although this was subsequently extended to two weeks in a later version of the plan. The conversion of automated teller machines (ATMs) proceeded at a rapid pace as two thirds of the country's ATMs were ready to dispense euro notes on 1 January 2007 at 4 a.m., and 93% were fully euro-operational at the end of the same day. The relatively low number of ATM transactions in Slovenia in the early days of January 2007 differed markedly from the number of transactions recorded in 2002, which can be explained by the curiosity of people concerning the new euro notes in 2002 and the fact that Slovenia's population was largely familiar with the new currency in 2007. The conversion of Point-of-Sale (POS) payment terminals was completed in the early hours of 1 January 2007. The number of POS operations quickly reverted to normal levels, from the period before the euro changeover. The case of Slovenia confirms the technical feasibility of cash changeover with a very short period of dual circulation.

The process of withdrawing national currency continued at an appropriate pace: half of the outstanding value of tolar banknotes had been withdrawn from circulation on 4 January 2007 and 80% on 11 January 2007. At the end of January, only approximately 8.5% of tolar banknotes were still in circulation. This compares very favourably with the euro area situation in 2002,

when only 70% of legacy notes had been withdrawn by the end of January. Free of charge cash exchange was still possible at commercial banks until the end of February 2007. Thereafter, the Bank of Slovenia continued to exchange tolar banknotes free of charge for an unlimited period, and tolar coins until the end of 2016.

Regarding the conversion of administrative and financial systems, the 'Big-bang' scenario is much more demanding than the 'Madrid' scenario applied in the 1999-2001 period. Slovenian enterprises were expected to operate exclusively in tolar up to 31 December 2006, and switch all their systems to the euro as from 1 January 2007. According to information collected by the Flash Eurobarometer, more than 94% of Slovenian businesses had their accounting, invoicing, and payroll systems fully ready for switching to the euro on 1 January 2007, which confirms the suitability of the selected scenario (mainly for smaller economies).

The dual display of prices in Slovenia started in March 2006 and, in accordance with law, will continue until mid-2007. The Slovenian Consumers' Association has also been monitoring prices on the basis of reports from consumers. Unjustified price increases are monitored and reported to the public on a regular basis. Furthermore, the Association emphasized that charges for banking services markedly increased in the course of 2006. Regarding payment services for consumers, significant price increases were noticed between March and December 2006 at certain banks.

Slovenia's 12-month rate of HICP inflation slowed somewhat in January, to 2.8% (from 3.0% in December 2006). This fall was slightly larger than the figure recorded in the same period a year earlier, mainly as a result of changes in energy prices. After a further slowdown in February (to 2.3%), the inflation rate accelerated in April, to 2.9%. According to the Statistical Office of Slovenia, January saw unusual price increases in bars, restaurants, and coffee shops, with a total impact on inflation of 0.12 of a percentage point. Price increases were also recorded in some other expenditure categories (e.g. personal services, footwear services, repair of household appliances, etc.), with an additional impact of 0.12 of a percentage point. On the basis of preliminary data, Eurostat estimates that the total impact of the euro changeover on price inflation in Slovenia will be 0.3 of a percentage point, which is comparable with the effects of the first-wave changeover in 2002. The Institute for Macroeconomic Developments and Analyses of Slovenia has estimated the effect of the changeover on inflation at 0.24 of a percentage point.

Chart A Perceived and Actual Inflation in Slovenia



Source: Eurostat, European Commission.
 Note: Left-hand scale data refer to the net answers of respondents questioned about their qualitative assessment of perceived inflation in the past.

On the other hand, it is to be noted that inflation perceptions in Slovenia have so far been comparable with the first-wave experience from 2002. Marked increases in perceived inflation in Slovenia were recorded in January and February, followed by a slight decline in March. Developments in the next months will confirm whether the pattern in Slovenia will end up being quite different from the one observed in the euro area, where perceived inflation climbed steeply and consistently for almost a full year after the introduction of the euro in 2002. This also indicates that perceived inflation will remain a key concern for the success of future euro changeovers.

According to a Eurobarometer survey conducted at the end of January 2007, the large majority (95%) of Slovenian citizens were satisfied with the smoothness and efficiency of the changeover process. This constitutes an excellent result compared with 2002, when the new euro area countries reached an average of 80%. Similarly, 92% of Slovenian citizens felt well informed about the euro and 91% were satisfied with the information provided by the national authorities. This confirms the

crucial role of information and effective communication in ensuring a successful changeover process.



3 Inflation

3.1 Consumer Price Index

HICP Inflation

Harmonised index of Consumer Prices

Consumer prices, as measured by the Harmonised Index of Consumer Prices (HICP), remained unchanged in May on a month-on-month basis, with the prices of goods stagnating and services prices rising by 0.1%. On a year-on-year basis, consumer prices rose by 1.5% (in April by 2.0%). They thus reached a historical low, i.e. the lowest level recorded since the measurement of inflation in terms of the HICP. Overall inflation excluding energy and unprocessed food prices (core inflation) reached 1.7% (compared with 1.8% in April). The average inflation rate for the period since the beginning of the year reached 2.0%. The average 12-month inflation rate for the period from June 2006 to May 2007 was 3.2%. In May, HICP inflation was somewhat lower than expected by the NBS.

Table 1 Harmonised Index of Consumer Prices (year-on-year changes in %)

	2006	2007				
	Dec.	Jan.	Feb.	Mar.	Apr.	May
Total	3.7	2.2	2.0	2.1	2.0	1.5
Goods	4.0	2.0	1.6	1.7	1.7	1.0
Industrial goods	3.9	0.7	0.2	0.4	0.2	-0.3
Non-energy industrial goods	1.1	-0.5	-0.5	-0.4	-0.7	-1.2
Energy	7.4	2.0	1.0	1.5	1.5	1.0
Foodstuffs	4.1	4.6	4.4	4.1	4.5	3.5
Processed food (including alcohol and tobacco)	3.5	3.6	3.6	3.9	4.1	4.4
Unprocessed food	5.3	6.6	6.0	4.4	5.3	2.0
Services	3.1	2.7	2.7	2.8	2.6	2.5
Total, excluding unprocessed food and energy (core inflation)	2.5	1.8	1.8	1.9	1.8	1.7
Total, excluding energy	2.8	2.2	2.2	2.2	2.1	1.7

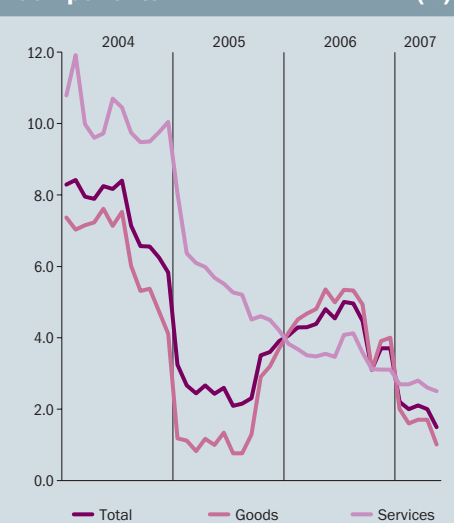
Source: NBS calculations based on data from the Statistical Office of the SR.

Slowdown in the year-on-year dynamics of goods and services prices

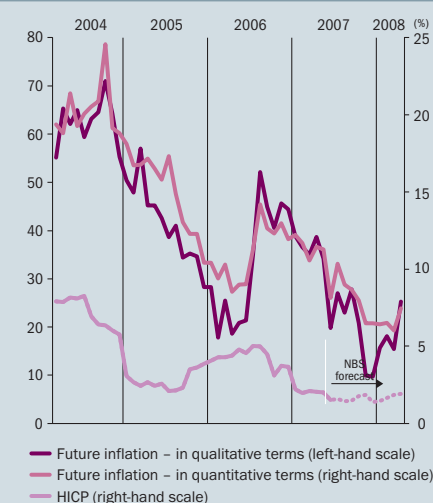
Within the basic structure of inflation, the year-on-year rate of increase slowed for both goods and services prices.

Turning to goods prices, the prices of industrial goods dropped and the year-on-year dynamics of food prices weakened. The year-on-year fall in industrial goods prices was caused by a further year-on-year decline in the prices of non-energy industrial goods and a slowdown in energy price dynamics. The prices of non-energy industrial goods were mostly affected by a marked acceleration in the year-on-year decline in pharmaceutical products prices, following the replacement of Prestarium prescribed medication (cessation of production and sale) by Prenessa (significantly lower pay-up). The past exchange rate appreciation had not yet been reflected in the prices of industrial products. It should be mentioned that, on a year-on-year basis, trade among non-financial corporations over the first quarter of 2007 resulted in a marked increase in profits, which may be one of the reasons behind the inadequate pass-through of exchange rate developments to non-energy industrial goods prices. The slowdown in the year-on-year dynamics of food prices was mainly caused by developments in unprocessed food prices, which recorded a slowdown in the year-on-year rate of increase, while processed food prices showed slightly increased year-on-year dynamics. In the 'unprocessed food' category, the year-on-year rate of increase slowed significantly in vegetable prices, which recor-

Chart 14 HICP Inflation and Its Main Components (%)



Source: NBS calculations based on data from the Statistical Office of the SR.

Chart 15 HICP Compared with the Views of Respondents on Inflation


Source: Statistical Office of the SR, Consumer Barometer, and NBS.

Note: The qualitative assessment of the future course of inflation is based on answers to the query whether consumer prices in the next 12 months will increase at a faster, slower, or unchanged rate, or will remain at the current level. Quantitative assessment means that those who say that consumer prices will increase in the next 12 months at a faster, unchanged, or slower rate than today, are asked in the next part of the question to specify the rate of acceleration or slowdown.

ded a month-on-month fall in May. In processed food prices, the prices of dairy products rose at an accelerated rate on a year-on-year basis.

The year-on-year rate of increase in services prices slowed somewhat, when transport, recreation, and personal services recorded weaker year-on-year price dynamics compared with the previous month. Somewhat steeper year-on-year increases than a month earlier were recorded in prices for miscellaneous services and housing-related services, while the year-on-year decline in prices for postal and telecommunications services slowed.

The year-on-year rate of headline inflation is expected to accelerate somewhat in June (compared with May 2007), due to the predicted developments in fuel prices, while the year-on-year dynamics of prices in the other categories of inflation components should remain unchanged.

May 2007 saw an increase in the assessment by consumers of the actual level of perceived inflation. In answer to questions about the actual level of inflation, the respondents gave an average value of 7.51% (6.34% in the previous month). When asked about the expected inflation rate in the next 12 months, the respondents gave an average value of 7.46%, representing a deterioration in comparison with the previous month (6.03%).

Expectations for the coming month
Consumer expectations regarding inflation
Table 2 Consumer Price Developments in May 2007

	Change versus		HICP in the struct. of CPI	
	april 2007	may 2006	april 2007	may 2006
Total in %	0.0	2.3	0.0	1.5
Regulated prices in %	-0.4	1.5	-0.4	1.9
– Share of total, in percentage points ¹⁾	-0.10	-	-0.10	-
Impact of changes in indirect taxes on non-regulated prices - share of total, in p. p.¹⁾	0.00	-	0.00	-
Core inflation in %	0.2	2.2	0.2	0.9
– Share of total, in percentage points ¹⁾	0.13	-	0.12	-
of which: Food prices in %	0.5	2.4	0.4	2.7
– Share of total, in percentage points ¹⁾	0.07	-	0.06	-
Tradable goods in % ¹⁾	0.1	-1.1	0.1	-1.0
– Share of total, in percentage points ¹⁾	0.02	-	0.04	-
Tradable goods excluding fuels, in % ¹⁾	-0.1	-0.2	0.0	0.0
– Share of total, in percentage points ¹⁾	-0.02	-	0.01	-
Fuels in % ¹⁾	1.0	-9.1	1.0	-9.1
– Share of total, in percentage points ¹⁾	0.04	-	0.03	-
Market services in % ¹⁾	0.1	6.3	0.1	2.6
– Share of total, in percentage points ¹⁾	0.04	-	0.02	-
Net inflation (excluding the impact of changes in indirect taxes) in %	0.1	2.2	0.1	0.4
– Share of total, in percentage points ¹⁾	0.06	-	0.06	-
Net inflation excluding fuel prices (excluding the impact of changes in indirect taxes) in %¹⁾	0.0	2.9	0.1	1.1
– Share of total, in percentage points ¹⁾	0.02	-	0.03	-

Source: Statistical Office of the SR, and NBS.

Notes: Net inflation – includes price increases in the 'tradable goods' sector, excluding foodstuffs and market services.

The rounding of the values of year-on-year and month-on-month price dynamics to one decimal place and the values of their contributions to the overall inflation rate to two decimal places may lead to a situation where, in the event of price stagnation, the contributions of prices are not equal to zero. In reality, the prices do change, but the changes are so small that they cannot be noticed if the figures are rounded to one decimal place; if, however, the price contributions are rounded to two decimal places, even a small change is apparent.

1) NBS calculations based on data from the Statistical Office of the SR.



CPI Inflation

Consumer Price Index In May 2007, consumer prices were stagnant on a month-on-month basis. Within the basic structure of inflation, regulated prices dropped in comparison with the previous month by 0.4%. Regulated prices went down as a result of a fall in health care prices. Core inflation was influenced by increases in food prices, prices for market services, and fuel prices. A deflationary impact was exerted by the prices of tradable goods, excluding fuels. Consumer prices increased year-on-year by 2.3% (in April by 2.7%) and core inflation rose by 2.2% (a month earlier by 2.6%). The average year-on-year inflation rate for the period from June 2006 to May 2007 was 3.7%. The year-on-year inflation rate for the period since the beginning of the year reached an average of 2.7%.

3.2 Producer Prices in April 2007

Month-on-month drop in industrial producer prices for the domestic market ... After stagnating in March, industrial producer prices for the domestic market fell month-on-month by an average of 0.3% in April, due to drops in the prices of manufacturing products (0.1%), energy (0.4%), and mineral raw materials (0.5%).

	Month-on-month change		Year-on-year change			
	Mar. 2007	Apr. 2007	Apr. 2006	Mar. 2007	Apr. 2007	Average since the beginning of 2007
	Industrial producer prices (for the domestic market)	0.0	-0.3	9.8	3.1	2.2	3.1
– Prices of manufacturing products	0.6	-0.1	1.7	1.1	0.4	0.8
– Prices of mining and quarrying products	-1.0	-0.5	46.7	-2.3	-3.1	-1.2
– Prices of electricity, gas, steam, and hot water	-0.7	-0.4	18.2	6.2	4.8	6.4
Industrial producer prices (for export)	-0.3	0.4	2.0	-3.5	-4.3	-3.4
– Prices of manufacturing products	-0.2	0.4	1.9	-2.8	-3.6	-2.9
Construction prices	0.6	0.4	3.8	4.2	4.6	4.3
Building materials prices	0.3	0.3	1.3	5.1	5.1	5.2
Agricultural prices	-	-	-1.9	-0.3	-1.2	0.2
– Prices of plant products	-	-	-8.3	21.3	18.4	21.3
– Prices of animal products	-	-	-1.2	-3.5	-3.4	-2.8

Source: Statistical Office of the SR.

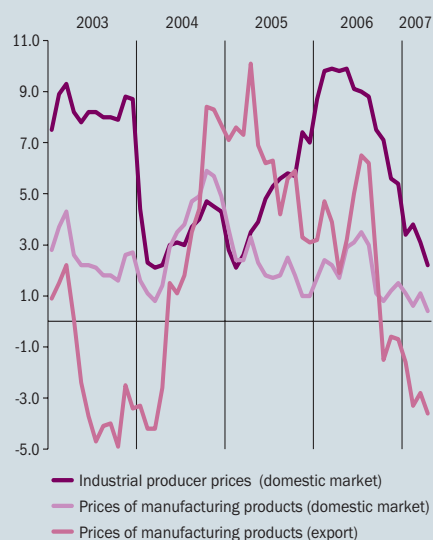
... accompanied by a slowdown in their year-on-year dynamics The year-on-year dynamics of domestic industrial producer prices weakened in April compared with the previous month (by 0.9 of a percentage point, to 2.2%), due to a slowdown in the rate of increase in energy prices (by 1.4 percentage points, to 4.8%), manufacturing products prices (by 0.7 of a percentage point, to 0.4%), and a drop in mining and quarrying products prices (by 3.1%).

On average, energy prices recorded a slower year-on-year rise in April (compared with the previous month), due to declines in prices for gas production and the transport of gaseous fuels via pipelines (by 3.1%) and prices for water treatment and supply (by 0.8%). Prices for steam and hot water supply increased at a slower rate than in March. Prices for electricity generation and supply rose by 0.6 of a percentage point, to 8.6%.

The year-on-year dynamics of manufacturing products prices weakened in April as a result of price drops or lower prices in most sub-categories. Prices drops were recorded in refined oil products (9.2%), other manufacturing products (7.0%), transport equipment (3.6%), and paper products (0.4%). Slower increases than a month earlier were recorded in the prices of base metals and finished metal products (by 1.5 percentage points, to 4%), rubber and plastic products (by 0.6 of a percentage point, to 1.0%), and chemical products (by 0.2 of a percentage point, to 2.2%). On the other hand, the strongest upward pressure was exerted by food prices (2.7%). Among food prices, the steepest increases occurred in the prices of flour products (9%), industrial animal fodder (6.3%), beverages (4.2%) and other food products (3.6%).

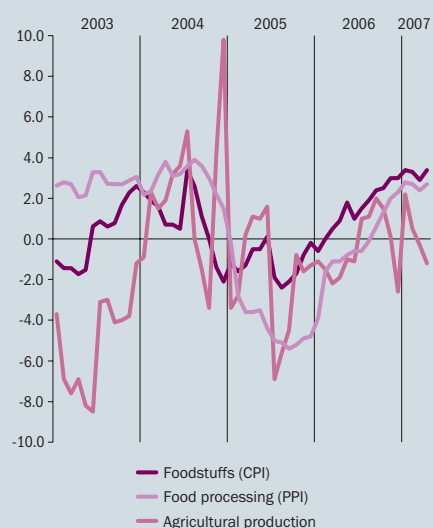
Industrial producer prices for export The export prices of manufacturing products, which are mostly determined by industrial producer prices for export, increased month-on-month by 0.4% in April, while declining on a year-on-year basis by 3.6% owing to a base effect (mainly as a result of a sharp month-on-month rise in the price of refined oil

Chart 16 Developments in Industrial Producer Prices and Manufacturing Products Prices
(year-on-year change in %)



Source: Statistical Office of the SR.

Chart 17 Developments in Food Prices in Primary Production, Processing, and Consumption
(year-on-year change in %)



Source: Statistical Office of the SR.

products in April 2006 a year earlier by more than 11 percentage points) and the appreciation of the Slovak koruna against the US dollar.

The year-on-year fall in industrial producer prices for export in April was primarily caused by drops in the export prices of refined oil products (16.4%) and transport vehicles (8.4%). On the other hand, upward price pressures were exerted on a year-on-year basis by the export prices of base metals and finished metal products (2.8%), rubber and plastic goods (1.3%), electrical and optical equipment (0.4%), and food products (0.8%).

In April, agricultural prices declined year-on-year by an average of 1.2%, due to a fall in the price of animal products (3.4%). The prices of plant products increased by 18.4%.

Agricultural prices

The fall in animal products prices was mainly caused by drops in the prices of pork (13.3% for live animals) and sheep farming products (5.9%). The price of eggs fell by 0.2% and that of unpasteurised milk by 0.1%. Increases occurred in the prices (for live animals) of poultry and beef, including veal (4.1% and 0.2% respectively).

The rise in plant products prices was mainly caused by increases in the prices of late potatoes (43.9%), cereals (18.9%), fruit and vegetables (6.1%), and legumes (2.9%). Oilseed prices dropped by an average of 7.3%.

On the one hand, industrial producer prices should be influenced in May 2007 by the moderately rising price of oil on the world market (which was, however, still lower than a year earlier) and the year-on-year appreciation of the Slovak koruna against the US dollar. A dampening impact is also expected in May from the base effect of steep price increases in all basic categories of industrial producer prices a year earlier. On the other hand, the moderate year-on-year increase in food prices is expected to continue. Owing to these external and internal cost factors, the average year-on-year dynamics of industrial producer prices are expected to weaken in May.

On the basis of agrarian market news, purchase prices are again expected to rise on a year-on-year basis in May, mainly for food cereals, as a result of their falling supply on the market. Among animal products, the decline in pork prices (for live animals) is expected to continue. Owing to the increased share of animal products in agricultural production, the prices of agricultural products are expected to fall somewhat in May, despite a rise in plant products prices.



4 Factors Affecting the Course of Inflation

4.1 Monetary Aggregates

The year-on-year growth rate of the M3 monetary aggregate again slowed in April. Within the structure of main M3 components, this development was mainly influenced by the weakening dynamics of deposits and received loans repayable on demand and loans with an agreed maturity of up to 2 years, which together constitute a dominant part of the short-term deposits as well as the M3 aggregate as a whole. On the M3 counterparts side, the main source of growth for the monetary aggregates remained economic activity and demand for loans in the resident private sector; the dynamic growth in the receivables of monetary financial institutions (MFIs), however, shows a moderating tendency in the long term.

M3 Monetary Aggregate

Decrease in the growth dynamics of M3 At the end of April, the M3 monetary aggregate (according to ECB methodology) reached SKK 989.6 billion, which was SKK 8.8 billion more than in the previous month. The year-on-year rate of M3 growth⁴ was, however, somewhat lower (16.4%).

Table 4 Year-on-year growth in the M3 monetary aggregate (ECB methodology) (in %)

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Year 2004	6.4	9.9	6.9	11.1	8.6	14.0	5.8	11.9	13.3	13.6	12.7	15.0
Year 2005	10.0	9.6	11.4	11.9	12.5	9.6	8.9	8.0	7.3	7.6	6.3	7.8
Year 2006	8.6 ¹⁾	9.1 ¹⁾	10.3 ¹⁾	9.4 ¹⁾	10.5	11.2	11.8	13.6	12.9	13.9	16.1 ¹⁾	15.3
Year 2007	16.5	16.8	16.7	16.4	.	.	.	.	.	.	.	.

Source: NBS and NBS calculations based on data from the Slovak Association of Asset Management Companies (SASS).
1) Revised data.

Among the main M3 components, the monetary aggregates in April were mostly influenced by a steep increase in deposits and received loans with an agreed maturity of up to 2 years (SKK 20.7 billion), which exceeded the decrease in deposits and received loans repayable on demand. The growth in money market fund shares/units, which was renewed in the second half of 2006, continued (by SKK 1.6 billion).

Table 5 Comparison of month-on-month developments in monetary aggregates (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Mar. 2006	Apr. 2007	Apr. 2007	Mar. 2007	Apr. 2007
Currency in circulation	121.3	130.8	131.2	8.9	8.2
Deposits and received loans repayable on demand	364.2	419.2	405.7	14.5	11.4
M1	485.5	550.0	536.9	13.2	10.6
Deposits and loans received with an agreed maturity of up to 2 years	309.3	366.6	387.4	23.7	25.2
Deposits redeemable at a period of notice of up to 3 months	13.7	10.8	10.4	-23.6	-24.4
M2	808.5	927.4	934.7	16.4	15.6
Money market fund shares/units	40.8	47.4	49.0	10.0	19.9
Repo operations	0.5	0.0	0.0	-	-
Debt securities issued with a maturity of up to 2 years	0.4	6.0	6.0	-	-
M3	850.2	980.8	989.6	16.7	16.4

Source: NBS.

Note: Differences in the sums are due to rounding. The missing figures have been excluded because of the large values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

1) Volume as at the last day of the given month.

⁴ The year-on-year growth dynamics of monetary aggregates and their counterparts are calculated from end-of-month data, including non-transaction operations, which comprise all movements in the balance-sheet items, resulting from changes in the valuation of tradable instruments, the depreciation/write-off of loans, exchange rate differentials, reclassification, and other changes.

Of the M3 counterparts, the most significant increase took place in deposits and loans received from the central government, including deposits at the SR Treasury (SKK 25.3 billion), owing to the April decrease in the budget deficit, coupled with an increase in internal debt of the Government. MFI receivables from residents, the general government, and the private sector in total increased by SKK 10.6 billion (including securities).

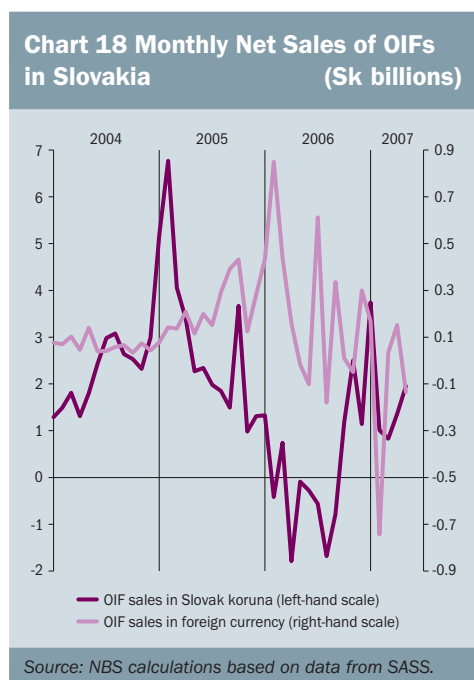
Main M3 Components

The weakening trend in the year-on-year dynamics of the M1 monetary aggregate, which stopped in the previous month, was renewed in April. This can be attributed to both components of M1 and/or the moderating growth in currency in circulation as well as deposits and received loans repayable on demand. While, however, currency in circulation grew somewhat on a month-on-month basis, deposits and received loans repayable on demand declined considerably (by SKK 13.5 billion).

Growth in deposits and loans received with an agreed maturity of up to 2 years

In other short-term deposits, deposits redeemable at a period of notice of up to 3 months continued to decline and their negative dynamics deepened. The large monthly increase in deposits and loans received with an agreed maturity of up to 2 years (SKK 20.7 billion) was accompanied by an increase in their dynamics. However, the growth rate of the M2 monetary aggregate slowed somewhat again.

The impact of marketable instruments on the overall rate of M3 growth was limited, owing to their relatively low volume. The intense inflow of funds into money market fund shares/units continued (by SKK 1.6 billion), and was reflected in their increasing growth dynamics. The volume of debt securities issued with a maturity of up to 2 years remained unchanged.



Investment Through Open-End Investment Funds

The inflow of funds into open-end investment funds (OIFs) intensified in May. The cuts in the key NBS rates on two occasions this year had not yet caused a fall in interest in SKK-denominated money market funds in the Slovak market. The net value of OIF assets denominated in Slovak koruna increased to SKK 131.3 billion, and the monthly net sales of OIFs reached a positive figure (SKK 1.9 billion). The net sales of OIFs denominated in foreign currency were slightly negative (SKK 0.1 billion).

Inflow of funds into open-end investment funds in Slovak koruna

In May, positive monthly net sales were achieved by other and special funds, mainly real estate funds (a total of SKK 1.2 billion), money market funds (SKK 1.0 billion), and the funds of funds (SKK 0.2 billion). Negative net sales were recorded by equity funds, bond funds, and mixed funds (a total of SKK-0.6 billion). The net sales of OIFs of all types in Slovak koruna and foreign currency totalled SKK 1.8 billion.

In the 12 months to the end of May, the net sales of the ten best performing investment funds in the SR rea-

Table 6 Net sales of open-end investment funds (OIFs) (month-on-month change in billions of Sk)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	CUM.
OIF sales denominated in Slovak koruna	2004	1.3	1.5	1.8	1.3	1.8	2.4	3.0	3.1	2.6	2.5	2.3	3.0	26.7
	2005	5.2	6.8	4.1	3.4	2.3	2.3	2.0	1.8	1.5	3.7	1.0	1.3	35.3
	2006	1.3	-0.4	0.7	-1.8	-0.1	-0.3	-0.6	-1.7	-0.8	1.2	2.5	1.1	1.3
	2007	3.7	1.0	0.8	1.4	1.9	.	.	.	.	.	.	.	8.9
OIF sales denominated in foreign currency	2004	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.8
	2005	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.3	0.4	0.4	0.1	0.3	2.6
	2006	0.4	0.8	0.4	0.2	0.0	-0.1	0.6	-0.2	0.3	0.0	0.0	0.3	2.8
	2007	0.2	-0.7	0.0	0.2	-0.1	.	.	.	.	.	.	.	-0.4

Source: NBS calculations based on data from the Slovak Association of Asset Management Companies (SASS).



ched SKK 23.6 billion in cumulative terms, which represented an increase of SKK 1.4 billion compared with the end of the previous month.

Main M3 Counterparts

Accelerated growth in MFI receivables from residents (including securities)

In April, the year-on-year growth in total MFI receivables from residents (including securities issued by clients and held by MFIs) accelerated in comparison with the previous month (by 0.5 of a percentage point), mainly due to the moderating negative dynamics of receivables from the general government. The weaker growth dynamics of receivables from the private sector, however, again confirmed the long-term trend persisting since February 2006.

The increased volume of government bonds issued in the domestic market and the decrease in the budget deficit as a result of successful income tax collection for 2006 caused the negative year-on-year dynamics of deposits and loans received from the central government (including deposits held at the SR Treasury) to moderate in April.

Although the year-on-year growth rate of long-term financial liabilities (excluding capital, reserves, and provisions) increased in April, the long-term weakening trend in their dynamics (ongoing since the fourth quarter of 2006) continued. This was mainly a result of accelerated growth in debt securities issued with a maturity of over 2 years and some moderation in the negative dynamics of deposits redeemable at a period of notice of over 3 months. On the other hand, deposits and received loans with an agreed maturity of over 2 years, which constitute the majority of the long-term financial liabilities, recorded a decrease in dynamics.

Table 7 Main M3 counterparts (ECB methodology)

	Volume in billions of Sk ¹⁾			Year-on-year change in %	
	Mar. 2006	Apr. 2007	Apr. 2007	Mar. 2007	Apr. 2007
Net foreign assets	318.4	250.7	271.9	-15.7	-14.6
Foreign assets	597.7	508.8	542.3	-15.0	-9.3
Foreign liabilities	279.3	258.1	270.4	-14.4	-3.2
Receivables of MFIs from residents (incl. securities)	800.0	900.2	910.8	13.3	13.8
Receivables from general government	247.5	242.2	247.0	-3.1	-0.2
Receivables from the private sector	552.5	657.9	663.8	20.8	20.1
Deposits and loans received from central government	104.5	17.6	43.6	-77.9	-58.2
Long-term financial liabilities (excl. capital and reserves)	108.7	124.2	125.5	15.1	15.4
Deposits and loans taken with an agreed maturity of over 2 years	60.4	68.7	68.1	14.8	12.6
Deposits redeemable at notice of over 3 months	26.6	23.6	23.7	-12.4	-11.1
Debt securities issued with a maturity of over 2 years	21.7	32.0	33.8	50.7	55.7
Other items net	54.9	28.3	23.8	-55.5	-56.6
Capital, reserves, and provisions	73.4	32.1	32.3	-61.8	-56.0
Other liabilities	53.8	83.5	80.8	72.4	50.1
Surplus of liabilities among MFIs	-0.2	-0.5	-2.0	-	-
Fixed assets	33.2	33.1	32.8	-0.8	-1.4
Other assets	38.9	53.6	54.5	48.9	40.2
M3	850.2	980.8	989.6	16.7	16.4

Source: NBS.

Note: Differences in the sums are due to rounding. The missing figures have been excluded because of the large values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

1) Volume as at the last day of the given period.

Continuing slowdown in the growth rate MFI receivables from the resident private sector

In April, the year-on-year rate of growth in MFI receivables from the private sector (including securities) continued to slow, by 0.7 of a percentage point (to 20.1%). The growth rate of receivables from the private sector continued to slow (by 0.7 of a percentage point, excluding securities), while the rate of decline in securities issued by the private sector deepened.

In April, developments in receivables were influenced by an increase in receivables from non-financial corporations, to SKK 4.4 billion. The monthly increase in loans to households moderated to SKK 3.7 billion, due to slower growth in consumer and other loans in comparison with the previous month. The

slowdown in the growth of MFI receivables from private sector was also supported by a decrease in receivables from financial corporations (by SKK 2.0 billion).

Table 8 MFI receivables from the resident private sector

	Volume (SKK billions) ¹⁾			Year-on-year change (%)	
	Apr.	Mar.	Apr.	Mar.	Apr.
	2006	2007	2007	2007	2007
MFI receivables from the private sector (incl. securities)	552.5	657.9	663.8	20.8	20.1
- of which: securities issued by the private sector ²⁾	14.8	13.9	13.7	-6.7	-7.2
MFI receivables (excluding securities)	537.7	644.0	650.1	21.6	20.9
Non-financial corporations	284.1	333.2	337.5	18.2	18.8
- up to 1 year	118.9	144.3	142.3	21.6	19.7
- 1 to 5 years	55.1	64.2	68.5	16.6	24.3
- over 5 years	110.1	124.6	126.8	15.4	15.1
Financial corporations	57.3	61.6	59.6	9.4	4.1
Insurance corporations and pension funds	0.0	0.0	0.0	-12.0	-12.2
Households and non-profit institutions					
serving households	196.2	249.2	252.8	30.2	28.8
- consumer loans	31.4	37.5	36.7	21.3	17.0
- housing loans	128.4	164.8	168.4	31.3	31.2
- other loans	36.5	46.9	47.7	34.1	30.8

Source: NBS.

Note: Differences in the sums are due to rounding.

1) Figure for the last day of the period under review.

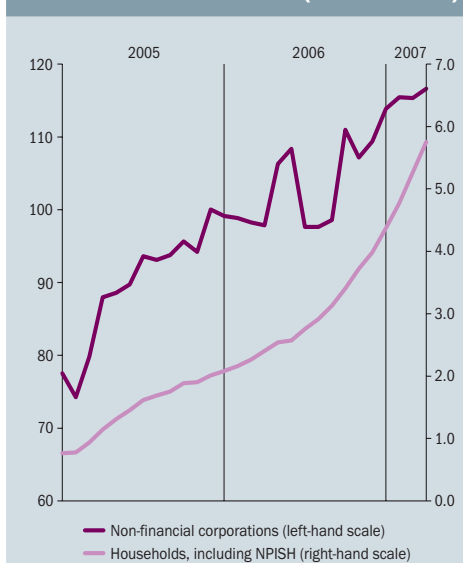
2) Securities issued by the private sector, including NBS receivables.

Structure of MFI Receivables from the Private Sector

The dynamics of bank lending to the private sector continued to weaken in April, due to slowdowns in the growth rates of loans to households and financial corporations. At the same time, the dynamics of lending to non-financial corporations increased.

After decelerating from last October to April, the rate of growth in loans to non-financial corporations accelerated in April (by 0.6 of a percentage point compared with the previous month). This was a result of month-on-month increases in long-term loans with 1- to 5-year maturities and long-term loans with a maturity of over 5 years (SKK 6.4 billion in total). On the other hand, the volume of short-term loans with a maturity of up to 1 year decreased for the first time this year (by SKK 2.0 billion month-on-month).

Continuing moderation in bank lending to households. Accelerated growth in loans to non-financial corporations

Chart 19 Lending in Foreign Currency (SKK billions)


Source: NBS.

Note: NPISH – non-profit institutions serving households.

The dynamics of MFI receivables from households continued to weaken in April, by 1.4 percentage points compared with the previous month. Looking at the breakdown of loans by purpose, the growth in consumer and other loans moderated and their volume increased month-on-month by SKK 0.1 billion. On the other hand, the increase in house purchase loans, accounting for almost 67% of the total credit to household, increased to SKK 3.6 billion.

The month-on-month increase in foreign-currency loans reached SKK 0.9 billion in April. This was due renewed demand for euro loans among non-financial corporations; their volume increased month-on-month by SKK 0.5 billion. Enterprises continued to show increased interest in loans in other currencies, which grew in volume by SKK 0.8 billion. Thus, the growth rate of MFI receivables from non-financial corporations in foreign currency accelerated to 19.2% in April. Loans to households in foreign currency increased by SKK 0.5 billion, as in the previous month. This increase, howe-



Table 9 Receivables of MFIs from the Resident Private Sector (excluding securities)

	Volume (SKK bn)	Year-on-year change (in %)					Cumulative change since beginning of year (SKK billion)	
		Apr. 2007	2006 Q2	2006 Q3	2006 Q4	2007 Q1	Apr. 2007	Apr. 2006
MFI receivables (excluding securities)	650.1	27.9	23.3	23.6	21.6	20.9	30.2	22.7
Non-financial corporations	337.5	19.9	15.4	20.3	18.2	18.8	12.7	11.1
– loans in Slovak koruna	220.9	19.5	21.2	26.6	18.7	18.6	14.9	3.9
– loans in foreign currency	116.6	20.8	5.1	9.4	17.3	19.2	-2.2	7.2
Financial corporations (other financial inter- mediaries and auxiliary financial institutions)	59.6	38.2	26.0	14.5	9.4	4.1	2.3	-3.3
– loans in Slovak koruna	47.8	29.6	22.1	18.3	12.6	9.0	0.8	-3.1
– loans in foreign currency	11.9	-	-	-	-	-	1.5	-0.2
Insurance companies and pension funds	0.0	-	-	-	-	-	0.0	0.0
– loans in Slovak koruna	0.0	-	-	-	-	-	0.0	0.0
– loans in foreign currency	0.0	-	-	-	-	-	0.1	0.0
Households and non-profit institutions serving households	252.8	38.1	34.8	31.4	30.2	28.8	15.2	15.0
– loans in Slovak koruna	247.1	37.8	34.4	30.7	29.0	27.5	14.9	13.2
– loans in foreign currency	5.8	-	-	-	-	-	0.4	1.8
z toho: consumer loans	36.7	43.8	38.3	44.4	21.3	17.0	6.6	0.9
– loans in Slovak koruna	36.7	44.0	38.5	44.6	21.3	17.3	6.5	0.9
– loans in foreign currency	0.0	-	-	-	-	-	0.0	-0.1
house purchase loans	168.4	36.6	33.3	31.9	31.3	31.2	9.5	11.5
– loans in Slovak koruna	164.1	36.0	32.6	30.8	29.5	29.0	9.3	10.0
– loans in foreign currency	4.3	-	-	-	-	-	0.2	1.6
other loans	47.7	39.1	37.7	21.2	34.1	30.8	-0.8	2.6
– loans in Slovak koruna	46.3	38.9	37.3	20.9	34.1	30.8	-1.0	2.3
– loans in foreign currency	1.5	-	-	-	-	-	0.2	0.3

Source: NBS.

Note: The missing figures have been excluded because of the high values of year-on-year changes, resulting from the relatively small volumes of the given indicators.

ver, had no marked impact on the total volume of loans to households, since the share of such loans was still negligible (2.3% of the total).

In April, euro-denominated MFI receivables constituted the most significant part of receivables in foreign currency, in the case of both non-financial corporations (91.4%) and households (92.7%).

Current Budgetary Developments

On 31 May 2007, the State budget recorded a deficit of SKK 13.0 billion, which was SKK 11.5 billion more than in April. Revenues totalled SKK 121.5 billion and expenditures SKK 134.5 billion.

4.2 The External Environment

Balance of Payments for March and the First Quarter of 2007

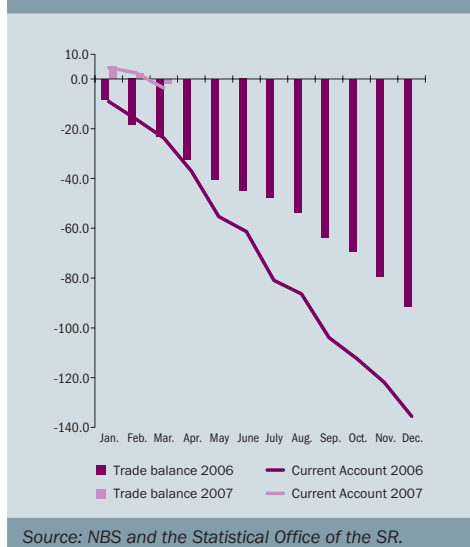
Current account In March, the deficit in the balance of payments current account remained unchanged in comparison with the previous month, but recorded some changes in its structure. Month-on-month deteriorations occurred in both the income and trade balances. On the other hand, the balance of current transfers recorded a smaller deficit and that of services achieved a slightly larger surplus.

During the first quarter of 2007, the deficit in the balance of payment current account diminished year-on-year by SKK 20.3 billion. The reduction in the deficit was mainly caused by an improvement in the trade balance and, to a lesser extent, a change in the income balance, from a deficit to a surplus. The reduction in the current account deficit, on the other hand, was negatively influenced by a year-on-year increase in the negative balance of current transfers and a decrease in the positive balance of services.

	March		January – March	
	2007	2006	2007	2006
Balance of trade	-3.7	-4.8	-1.7	-23.5
Exports	120.1	101.5	337.7	267.6
Imports	123.8	106.3	339.4	291.1
Balance of services	0.9	1.9	1.1	4.5
Balance of income	-1.0	-3.2	1.1	-4.4
of which: Income from investment	-3.8	-5.7	-7.5	-11.9
of which: Reinvested earnings	-1.9	-3.4	-5.7	-10.2
Current transfers	-2.2	-1.4	-4.1	-0.5
Current account in total	-6.0	-7.5	-3.6	-23.9
Current account as a share of GDP in %			-0.9	-6.3
Current account (excluding dividends and reinvested earnings) as a share of GDP in %			0.8	-3.3

Source: NBS and the Statistical Office of the SR.

Chart 20 Balance of Trade and Current Account Developments in 2006 and 2007 – cumulative figures (SKK billions)



In comparison with the same period in 2006, exports increased over the first three months of 2007 by 26.2% (50.0% in USD and 37.6% in EUR) and imports grew by 16.6% (38.5% in USD and 27.1% in EUR).

During the first three months of 2007, the strongest growth in comparison with the same period a year earlier occurred in the exports of machinery and transport equipment. In the 'machinery and transport equipment' category, more than two thirds of the year-on-year increase took place in the 'transport equipment' sub-category, as a result of growth in the exports of automobiles and components. In the 'machines' sub-category, increases were mainly recorded in the exports of television sets, boilers, printing machines, etc. Exports also grew in the 'chemicals and semi-finished goods' category, since semi-finished goods, such as iron, steel, copper, paper, and chemical products were still much in demand on the world markets. The strongest growth occurred in the exports of plastic and rubber products. On the other hand, faster growth than last year was recorded in raw materials exports, mainly as a result of a decline in the exports of refined petroleum oils and natural gas (the declining exports of these commodities were in part caused by price developments). A neutral impact on the level of total exports was exerted by the exports of

Exports

finished products, which reached virtually the same level as a year earlier.

Year-on-year import growth was mainly recorded in the 'finished products' category, especially in electrical consumer goods and selected industrial products (furniture, pharmaceuticals, and clothes). On the other

Imports

	Year-on-year change Sk billions		Proportion of the year-on-year change in % points	
	January – March		January – March	
	2007	2006	2007	2006
Raw materials	-2.4	7.7	-0.9	3.6
Chemicals and semi-finished goods	9.8	12.6	3.7	5.9
Machinery and transport equipment	62.3	30.8	23.3	14.5
Finished products	0.3	3.6	0.1	1.7
Exports in total	70.0	54.7	26.2	25.7

Source: NBS calculations based on data from the Statistical Office of the SR.



hand, slower growth than last year was recorded in automobile imports. The faster growth in the 'machinery and transport equipment' category was mainly caused by stronger imports of transport vehicles, mainly motor vehicle parts, components, and accessories. Significant growth was also recorded in the imports of chemical products and semi-finished goods. In semi-finished goods, the growth in imports was concentrated in iron and steel, iron and steel products, aluminium, zinc, wood, etc. In the 'chemical products' category, the increase in imports took place mostly in plastics and rubber. The imports of raw materials, whose year-on-year decline significantly reduced the total year-on-year increase in imports, were affected by a year-on-year fall in oil prices, which was mainly reflected in the lower imports of oil and natural gas.

Table 12 Imports in January to March, Year-on-Year Changes

	Year-on-year change in billions of Sk		Proportion of the year-on-year change in % points	
	January – March		January – March	
	2007	2006	2007	2006
Raw materials	-14.9	19.8	-5.1	8.8
Chemicals and semi-finished goods	19.0	9.6	6.5	4.2
Machinery and transport equipment	19.8	20.6	6.8	9.1
Finished products	24.4	14.5	8.4	6.4
of which: Agricultural and industrial goods	6.2	5.5	2.1	2.4
Passenger cars	2.8	4.3	1.0	1.9
Machines and electrical consumer goods	15.4	4.7	5.3	2.1
Imports in total	48.4	64.5	16.6	28.5

Source: NBS calculations based on data from the Statistical Office of the SR.

Services balance The balance of services for January to March 2007 resulted in a surplus of SKK 1.1 billion, which represented a deterioration of SKK 3.4 billion compared with the same period in 2006. The decrease in the surplus mainly took place in transport services, 'other services in total', and in a smaller degree, tourism services. The main reason behind the smaller surplus in transport services was lower income from the transit of gas. Within the scope of transport services, the lower surplus was moderated by lower payments for rail freight transport. The year-on-year deterioration in the balance of tourism services was caused by accelerated growth in the expenditures of Slovak residents on services related to tourism, which exceeded the growth in receipts from tourism services provided. The year-on-year increase in the deficit in 'other services in total' was mainly caused by an increase in payments for construction and financial services.

Income and current transfers balances Over the first three months of 2007, the balance of income improved on a year-on-year basis by SKK 5.5 billion, due to a smaller deficit in proceeds from investment. The smaller deficit in investment proceeds was caused by a lower estimate of payments of reinvested earnings. More favourable developments than last year were also recorded in the compensation of employees, mainly due to the higher incomes of employees working abroad. The year-on-year increase in the deficit in current transfers (by SKK 3.6 billion) was caused by a methodological change related to the reclassification of some receipts, from the balance of current transfers to the balance of capital transfers. According to the original methodology, the balance of current transfers should record a modest surplus, representing a year-on-year improvement of SKK 0.7 billion (in connection with the growing receipts from EU funds, by SKK 2.2 billion).

Capital and financial account In March 2007, the balance of payments on capital and financial account resulted in a surplus of SKK 60.9 billion. The main factor behind the inflow of funds was an increase in non-resident deposits on accounts at Slovak banks. Within the scope of other short-term investments, the inflow of funds was strengthened by a decrease in resident deposits on accounts abroad. The total increase in funds on the capital and financial account was reduced by an outflow of funds in foreign direct investment (FDI) in the form of other capital, as a result of an increase in export claims and a decrease in import liabilities.

Over the first three months of 2007, the capital and financial account generated a surplus of SKK 56.4 billion (compared with SKK 39.7 billion in the same period a year earlier). The year-on-year increase in the surplus was caused by an inflow of funds in the form of other investment (growth in non-resident deposits on accounts at Slovak banks in March), which exceeded the year-on-year change from a net inflow of funds in portfolio and foreign direct investments to a net outflow.

Foreign direct investment From January to March 2007, foreign direct investment (FDI) resulted in an outflow of funds in the amount of SKK 3.1 billion, compared with an inflow of SKK 18.1 billion in the same period a year earlier. The change in the FDI balance from a surplus (last year) to a deficit was mainly caused by developments in 'other capital', where the impacts of increasing export claims and decreasing import



		March		January – March	
		2007	2006	2007	2006
Capital account		0.3	-0.2	4.2	-0.3
Direct investment		-10.2	7.8	-3.1	18.1
SR abroad		-0.2	0.3	-1.4	-1.2
of which: Equity capital abroad		-0.1	-0.2	-0.1	-0.6
Reinvested earnings		-0.1	-0.1	-0.3	-0.3
In the SR		-10.0	7.5	-1.7	19.3
of which: Equity capital in the SR		1.8	2.6	1.3	3.8
of which: Other than privatisation		1.8	2.6	1.3	3.8
Reinvested earnings		2.0	3.5	6.0	10.5
Portfolio investment and financial derivatives		2.5	44.2	-19.8	39.9
SR abroad		-6.9	0.2	-6.2	-4.5
In the SR		9.4	44.0	-13.6	44.4
Other long-term investment		-4.1	1.8	-1.6	15.5
Assets		-0.5	-0.7	-2.2	1.1
Liabilities		-3.6	2.5	0.6	14.4
Other short-term investment		72.4	-13.2	76.7	-33.5
Assets		10.2	-8.7	6.0	-7.2
Liabilities		62.2	-4.5	70.7	-26.3
Capital and financial account		60.9	40.4	56.4	39.7

Source: NBS.

liabilities were concentrated. The estimate of reinvested earnings, which were reinvested in the economy by foreign investors, also fell on a year-on-year basis, when their inflow reached SKK 6.0 billion at the end of March. FDI inflows in the form of equity participation decreased year-on-year, and were mostly absorbed in industry (production of motor vehicles and television sets).

Portfolio investment resulted in a net outflow of SKK 19.8 billion, compared with a net inflow of SKK 39.9 billion last year. The year-on-year change from an inflow to an outflow (by SKK 59.7 billion) was mainly caused by a new issue of eurobonds in March 2006 (amounting to SKK 37.6 billion), while the year 2007 saw no new issues until the end of March. The impact of this fact was strengthened in the first quarter of 2007 by outflows in SKK-denominated government debt securities.

Portfolio investment

In 'other investments', the first three months of 2007 saw an inflow of funds in the amount of SKK 75.1 billion, compared with an outflow of SKK 18.0 billion in the same period a year earlier. The year-on-year change was connected with a short-term capital inflow into the banking sector (deposits at banks), whereas the first quarter of 2006 saw an outflow of funds from accounts held at Slovak banks.

Other investment

The total year-on-year increase in 'other investment' in the banking sector (by SKK 99.7 billion) was influenced in March by developments in the interbank foreign exchange market, which led to appreciation in the Slovak koruna. The gradual appreciation of the Slovak koruna gave rise to NBS interventions. The main factor in the year-on-year change was an inflow of short-term non-resident deposits into Slovak banks, which reached SKK 85.4 billion during January to March, compared with an outflow of SKK 20.9 billion in the same period of 2006.

Activities in the corporate sector were mainly connected with the financing of trade activities. The volume of export credits provided during the first three months of 2007 exceeded the volume of import credits received, which led to an outflow of funds in trade credits in the amount of SKK 4.9 billion (the same period a year earlier saw an inflow of SKK 0.5 billion in trade activities). In financial credits to entrepreneurial entities, however, an inflow of SKK 2.0 billion was recorded, representing a year-on-year decrease of SKK 3.6 billion. The corporate sector recorded lower net inflows in trade and financial credits than a year earlier, which were partly offset by decreases in corporate deposits on accounts abroad, while the year-on-year change from an inflow to an outflow in the corporate sector reduced the total inflow in 'other investment' by SKK 3.3 billion.

Other investment in the government sector (including the NBS) resulted in an outflow of SKK 3.8 billion. The higher outflow compared with last year was connected with the activities of the NBS in the area of gold swaps, and caused a reduction in other investment in the government sector, including the NBS (by SKK 3.3 billion).

**Table 14 Capital Inflows in Other Investment by Sector (SKK billions)**

	January – March 2007	January – March 2006	Year-on-year change
Banks	79.3	-20.4	99.7
Enterprises	-0.4	2.9	-3.3
Government + NBS	-3.8	-0.5	-3.3
Total	75.1	-18.0	93.1

Source: NBS.

Foreign reserves of the NBS

The foreign reserves of the NBS increased over the first quarter of 2007 by SKK 76.8 billion, i.e. USD 3.0 billion (excluding exchange rate differentials). The increase in reserves was caused by exchange market interventions (conducted in the amount of SKK 81.7 billion).

Table 15 Balance of Payments Adjusted for Government and NBS Activities (SKK billions)

	January – March	
	Actual ¹⁾	Adjusted ²⁾
Current account	-3.6	-12.4
Capital and financial account	56.4	-6.0
of which: FDI in Slovakia – equity capital	1.3	1.3
Items not elsewhere included	23.9	23.9
Interventions by the NBS ³⁾	-81.7	-81.7
Change in the net foreign assets of commercial banks (- increase)	-	76.2
Change in NBS reserves (- increase)	-76.8	-

Source: NBS

1) Original balance of payments structure, i.e. impact of receipts and payments on NBS reserves.

2) Adjusted for the effects of activities of the Government and the NBS, which do not affect the positions of commercial banks vis-à-vis non-residents and do not qualify as a real source of finance for the current account.

3) In the original balance of payments structure, interventions are part of the foreign exchange reserves of the NBS.

The outflow of funds from the corporate sector increased as a result NBS interventions, and brought about a decrease in the net foreign assets of the banking sector.

External Debt of Slovakia as at 31 March 2007**Gross external debt**

At the end of March 2007, Slovakia's total gross external debt stood at USD 35.2 billion (EUR 26.4 billion), representing a month-on-month increase of USD 3.1 billion (EUR 2.1 billion). Total long-term foreign debt grew in March by USD 0.6 billion, while total short-term foreign debt increased by USD 2.5 billion.

Within the scope of total short-term external debt, the foreign liabilities of commercial banks increased by USD 2.4 billion in March, mainly as a result of increases in the foreign-currency deposits of some parent banks at branches of foreign banks. The short-term foreign liabilities of entrepreneurial entities increased by a total of USD 0.2 billion, while loans decreased by USD 0.3 billion and trade credits increased by USD 0.5 billion.

Within the scope of long-term external debt, the foreign liabilities of the Government and the NBS increased by USD 0.4 billion, due to increased interest in the purchase of SKK-denominated government bonds. In the commercial sector, foreign liabilities increased by USD 0.2 billion. The increase in these liabilities took place predominantly in loans to entrepreneurial entities.

At the end of March, Slovakia's total per-capita gross foreign debt stood at USD 6,549. The share of short-term foreign debt in the country's total gross external debt increased month-on-month by 2.7 percentage points, to 52.6% at the end of March 2007.

Net external debt

The net external debt of Slovakia, expressed as the difference between gross foreign debt, i.e. USD 35.2 billion (liabilities of the Government, the NBS, commercial banks, and the corporate sector – except for equity participation), and foreign assets, i.e. USD 31.5 billion (foreign exchange reserves of the NBS, foreign assets of commercial banks and the corporate sector – except for equity participation), reached USD 3.7 billion (debtor position) at the end of March 2007.

In April, the deficit in the b.o.p. current account from the previous month changed to a modest surplus, amounting to SKK 1.2 billion. The month-on-month improvement (SKK 7.2 billion) was supported by an



Table 16 External Debt of the SR

	In millions of USD			In millions of EUR		
	31.12.2006	28.2.2007	31.3.2007	31.12.2006	28.2.2007	31.3.2007
Total external debt of the SR	32,205.9	32,176.7	35,229.9	24,448.9	24,317.3	26,385.7
Long-term external debt	16,649.7	16,125.4	16,697.5	12,639.5	12,186.6	12,505.7
Government and NBS ¹⁾	7,702.1	6,841.5	7,263.7	5,847.0	5,170.4	5,440.2
Commercial banks	1,559.2	1,699.8	1,710.7	1,183.6	1,284.6	1,281.3
Entrepreneurial entities	7,388.4	7,584.1	7,723.0	5,608.9	5,731.6	5,784.2
Short-term external debt	15,556.2	16,051.3	18,532.4	11,809.4	12,130.7	13,880.0
Government and NBS	0.0	65.1	0.0	0.0	49.2	0.0
Commercial banks	6,148.8	6,579.7	8,967.0	4,667.8	4,972.6	6,716.0
Entrepreneurial entities	9,407.4	9,406.5	9,565.4	7,141.6	7,108.9	7,164.1
Foreign assets	26,718.4	28,418.3	31,553.5	20,283.2	21,477.0	23,632.3
Net external debt	5,487.5	3,758.4	3,676.3	4,165.7	2,840.3	2,753.5
SKK/USD and SKK/EUR rates	26.246	26.046	25.001	34.573	34.464	33.381
EUR/USD cross exchange rate	-	-	-	1.317	1.323	1.335

Source: NBS.

1) Including government agencies and municipalities.

inflow of funds in the form of non-investment subsidies within the balance of current transfers, and by a decrease in the trade deficit and an increase in the positive balance of services. The only item to record a slight month-on-month deterioration was the balance of income.

April witnessed an acceleration in export growth, accompanied by a slowdown in import dynamics. Thus, the excess of export dynamics (25.2%) over the rate of import growth (14.9%) increased considerably.

Table 17 Balance of Payments on Current Account (SKK billions)

	April		January – April	
	2007	2006	2007	2006
Balance of trade	-1.2	-9.0	-2.9	-32.5
Exports	111.6	89.1	449.3	356.7
Imports	112.8	98.1	452.2	389.2
Balance of services	2.7	2.2	3.8	6.7
Balance of income	-1.6	-4.2	-0.5	-8.6
of which: Income from investments	-4.5	-6.6	-12.0	-18.5
of which: Reinvested earnings	-1.9	-1.9	-7.6	-12.1
Current transfers	1.3	-2.2	-2.8	-2.7
Current account in total	1.2	-13.2	-2.4	-37.1

Source: NBS and the Statistical Office of the SR.

The trade deficit recorded in April was smaller than predicted by the NBS, while both exports and imports reached lower-than-expected levels.

Export dynamics are likely to weaken in May (owing to a base effect), but the volume achieved should markedly exceed the figure for April. In May, imports should also reach a higher level than in the previous month, at a slower rate of year-on-year growth.

In June and July, exports are expected to show similar year-on-year dynamics as in May. Exports should record a month-on-month increase in June, which is likely to be followed by a decline in July as a result of seasonal developments. A similar trend is expected in goods imports, mainly as a result of import intensity leading to imports of semi-finished goods.

In the next months, the balance of foreign trade is expected to improve on a year-on-year basis.

At the end of May, the overall foreign reserves of the NBS stood at USD 17,571.1 million, representing a month-on-month fall of USD 251.8 million. The fall in reserves in comparison with the figure for the end of April was caused by a slight deficit in the balance of receipts and expenses (USD-30.9 million, resulting from debt service payments), accompanied by negative exchange rate differentials (USD-220.9 million), which resulted from a change in the USD/EUR cross-rate in the period under review. At the end of May, the volume of foreign reserves was 3.7 times greater than the volume of average

**Total foreign reserves
of the NBS**



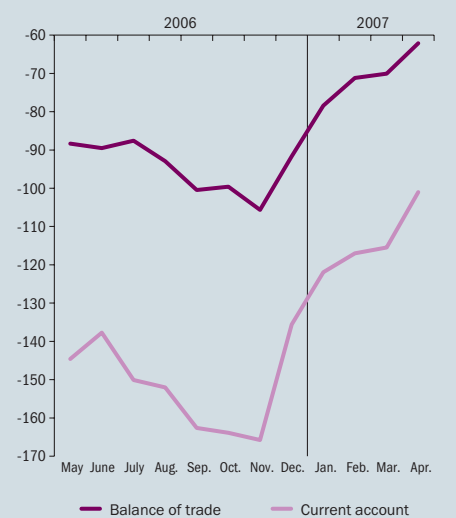
Table 18 Developments in Current Account Components in 2007

(SKK billions)

	2007			
	January	February	March	April
Balance of trade	5.0	-3.0	-3.7	-1.2
Balance of services	-0.1	0.3	0.9	2.7
Balance of income	1.4	0.7	-1.0	-1.6
Current transfers	-1.7	-0.2	-2.2	1.3
Current account	4.6	-2.2	-6.0	1.2

Source: NBS and the Statistical Office of the SR.

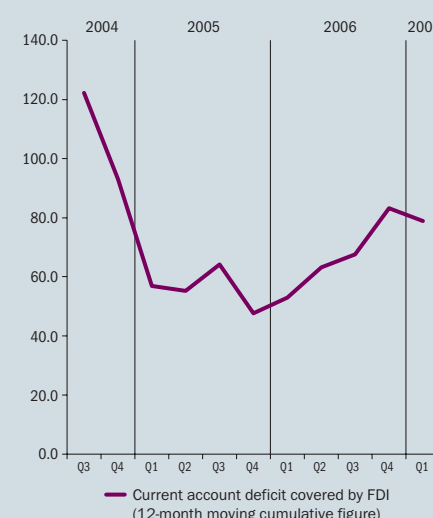
Chart 21 Balance of Payments and Current Account Developments (moving 12-month cumulative figures) (SKK billions)



Source: NBS, Statistical Office of the SR.

Chart 22 Coverage of the Current Account Deficit by Foreign Direct Investment

(%)



Source: NBS.

monthly imports of goods and services to Slovakia over the first four months of 2007.

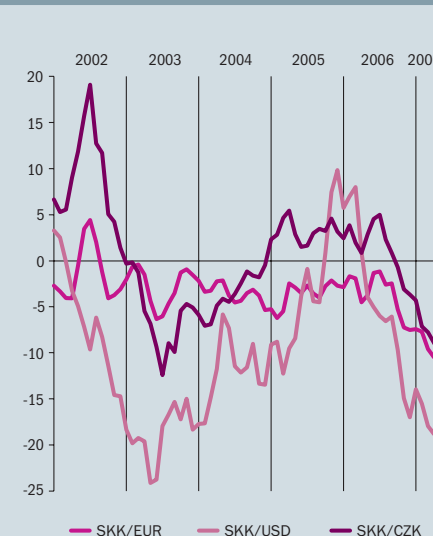
The ratio of foreign reserves to the amount of payments for goods and services recorded in banking statistics, reached 4.8 times the volume of average monthly imports of goods and services to the SR over the first four months of 2007.

Nominal effective exchange rate of the Slovak koruna (NEER)

In May, the nominal effective exchange rate⁵ (NEER) of the Slovak koruna depreciated month-on-month by 0.4%, compared with an appreciation of 1.2% in the previous month. A substantial contribution to the de-

5 For calculating the nominal and effective exchange rates of the Slovak koruna (NEER and REER), the IMF methodology is applied. The REER is calculated on the basis of the consumer price index (CPI), the industrial producer price index (PPI), and/or the manufacturing products price index, excluding the prices of mineral raw materials, electricity, gas, steam, and hot water (PPI manufacturing) and the index of unit labour costs (ULC). The initial year for the calculation is 1999, and the weights selected correspond to the structure of foreign trade in 1999, for the nine most important trading partners of Slovakia, representing roughly 70% of the total turnover of foreign trade. These countries are Germany, the Czech Republic, Italy, Austria, France, the Netherlands, the United States, the United Kingdom, and Switzerland.

Chart 23 Average Monthly Exchange Rates of the Slovak Koruna (year-on-year changes in %)



Source: NBS.

Note: + depreciation, - appreciation of the SKK.

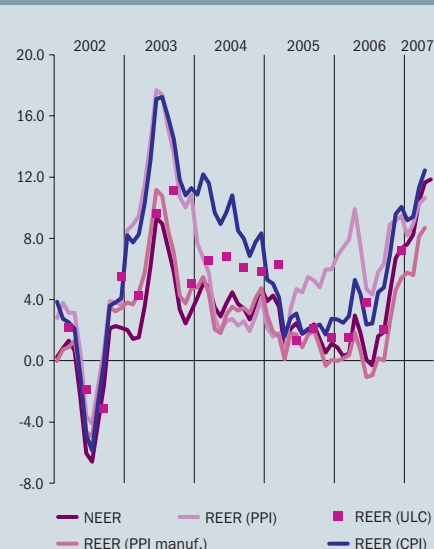
Table 19 Year-on-Year Dynamics of the NEER and REER Indices (year-on-year change in %)

For 9 partners based on the deflator:	NEER	REER (CPI)	REER (PPI)	REER (PPI manuf.)	REER (ULC) ²⁾
December 2002	2.1	4.1	3.6	3.4	5.5
December 2003	3.2	11.3	10.8	4.7	5.1
December 2004	4.7	8.3	4.1	4.7	5.8
December 2005	1.1	2.7	6.0	0.0	1.5
December 2006	7.4	10.1	9.5	5.4	7.2 ^(p)
March 2007 ¹⁾	10.4 / 3.7	11.3 / 3.9	10.3 / 4.6	8.1 / 1.8	.
April 2007	11.7 / 4.9	12.5 / 5.2	10.7 / 4.9	8.7 / 2.2	-
May 2007 ¹⁾	11.8 / 4.5	.	.	.	-

Source: NBS.

1) Year-on-year change / cumulative change since the beginning of the year.

2) Year-on-year change based on quarterly data.

Chart 24 Developments in the NEER and REER Indices (9 trading partners) (year-on-year changes in %)


Source: NBS.

Note: + appreciation, - depreciation of the NEER and

preciation of the NEER index was made by the weakening of the koruna against the euro (by 0.4 of a percentage point).

On a year-on-year basis, the appreciation of the NEER slightly accelerated, from 11.7% in April to 11.8% in May, in line with the gradually accelerating trend in the rate of appreciation persisting since the middle of last year. Despite its month-on-month depreciation, the NEER index appreciated year-on-year at an accelerating rate as a result of the koruna's sharp month-on-month depreciation in May 2006 in connection with the upcoming elections, accompanied by uncertainty among foreign exchange market participants. The most significant contribution to the appreciation of the NEER index came from the strengthening of the koruna vis-à-vis the euro (by 7.8 percentage points).

The continuing dynamic year-on-year appreciation of the Slovak koruna led to the strengthening of the real effective exchange rate (REER). In April, the REER based on the consumer price index (CPI) appreciated by 12.5%, that based on the industrial producer price index (PPI) by 10.7%, and the rate based on the manufacturing products price index (PPI manuf.) by 8.7%.

Real effective exchange rate of the Slovak koruna (REER)

Chart 25 Development of Real GDP by Quarter (Year-on-year growth in %)


Source: Statistical Office of the SR.

4.3 Real Economy

Development of the Real Economy in the First Quarter of 2007

Gross Domestic Product

In the first quarter of 2007, gross domestic product (GDP) grew year-on-year by 9.0% at constant prices (according to a revised estimate of the Statistical Office of the SR), and its dynamics strengthened by 2.3 percentage points compared with the first quarter of 2006.

Real economic growth in the 1st quarter of 2007 was 9.0%

In terms of production, real economic development was mostly influenced by economic activity in transport, post and telecommunications, and manufacturing, where the strong growth continued in the manufacture of machines, electrical equipment, and transport vehicles, as well as in other community services, health and social services, construction, and trade. The nominal volume of GDP created in the period under review reached SKK 414.6 billion, which was 12.4% more than a year earlier.



Table 20 Development of GDP by Use
(index, same period a year earlier = 100, const. 2000 prices)

	Q1 06	Q2 06	Q3 06	Q4 06	2006	Q1 07
	Q1 05	Q2 05	Q3 05	Q4 05	2005	Q1 06
Gross domestic product	106.7	106.7	109.8	109.6	108.3	109.0
Domestic demand	108.1	104.5	109.2	104.1	106.4	103.9
Final consumption	106.8	105.9	105.0	104.9	105.6	105.6
Households	106.6	105.9	106.5	106.1	106.3	106.5
General government	107.8	106.6	101.2	102.3	104.1	102.4
Non-profit institutions serving households	100.5	95.6	96.3	95.0	96.8	101.6
Gross capital formation	111.7	101.4	119.3	101.9	108.2	99.6
Gross fixed capital formation	113.8	103.6	106.7	107.0	107.3	107.7
Exports of goods and services	117.7	118.1	123.8	122.6	120.7	124.1
Imports of goods and services	119.6	114.0	122.9	115.3	117.8	117.7

Source: Statistical Office of the SR.

Demand

Rapid growth in foreign demand

In terms of use, the structure of economic growth in the first quarter of 2007 was influenced by both domestic and foreign demand. Foreign demand grew in real terms by 24.1%, and thus increased the export performance of the economy still further. Domestic demand also had a stimulating impact on economic growth, but its dynamics weakened in this quarter and its growth reached the lowest level since the beginning of 2004.

Regarding aggregate demand formation, economic growth was based on contributions from domestic demand and net exports. Inventories made a negative contribution to GDP growth in the first quarter of 2007.

Domestic demand showed weaker year-on-year dynamics

Within the scope of domestic demand, the most rapid growth was observed in consumer demand (5.6% in real terms), but its pace was 1.2 percentage points slower than in the same period in 2006. This was mainly due to a moderation in general government final consumption, which, however, showed relatively strong dynamics in the first quarter of 2007 (2.4%), despite the rapid growth recorded a year earlier. The dynamics of household final consumption remained virtually unchanged on a year-on-year basis. The investment component of demand recorded a year-on-year decline, while fixed investment growth was approximately 6 percentage points slower than in the first quarter of 2006.

Decline in gross capital formation

Gross capital formation declined by 0.4% at constant prices, due to growth in fixed investments (7.7% year-on-year) and growth in inventories, whose increase during the first quarter of 2007 (SKK 3.1 billion at constant prices) was almost SKK 6 billion smaller than in the first quarter of 2006.

Gross fixed capital formation was mostly affected by the purchase of new fixed assets (a growth of 8.5% at constant prices). The amount of acquired used long-term property fell year-on-year by 21% and the decrease in used fixed assets deepened by more than 10%.

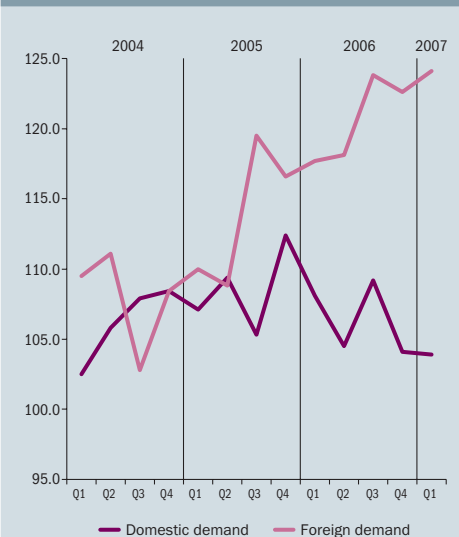
Real growth in investment was recorded in almost all sectors

Looking at the breakdown of fixed assets by the sector of national accounts, their increases were most significantly influenced by the investment activities of non-financial corporations, which comprised both foreign and domestic investments. They were also supported by the financial results of non-financial corporations, whose profitability increased year-on-year by 25.3%. The largest amount of funds (73.4% of the total volume) was invested by non-financial corporations through the acquisition of new fixed assets. The growth in gross fixed capital formation in real terms was also supported by the investment activities of households (a growth of 5.6% at constant prices) and the general government (a growth of 2.1% at constant prices).

Growth in investment in buildings and machines

Regarding the classification of production, growth in investment was recorded in both construction (15.1% in real terms) and machines (3.3% in real terms). Investment in metal products and machines remained

Chart 26 Development of Domestic and Foreign Demand
(Year-on-year change in %)



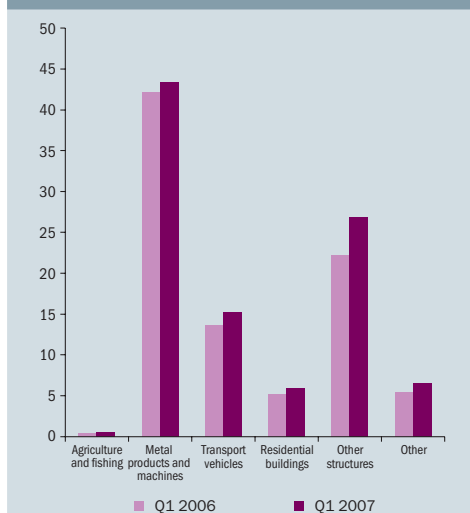
Source: Statistical Office of the SR.

Table 21 Structure of Gross Fixed Capital Formation in the First Quarter of 2007

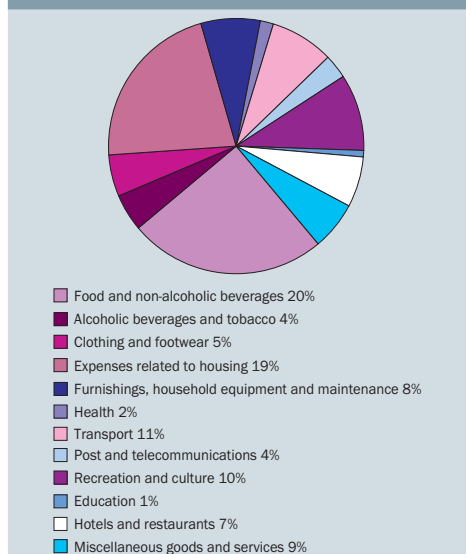
	Gross fixed capital formation (SKK millions)	Proportion (%)	Index Q1 2007 Q1 2006
Economy of the SR in total	98,644	100.0	107.7
of which (by sector)			
Non-financial corporations	69,911	70.9	109.0
Financial corporations	1,498	1.5	103.0
General government	4,356	4.4	102.1
Households	22,661	23.0	105.6
Non-profit institutions	218	0.2	91.0
of which (by production)			
Machinery	58,699	59.5	103.3
of which: metal goods and machines	43,436	44.0	100.1
transport equipment	15,263	15.5	113.4
Buildings and structures	32,809	33.3	115.1
of which: residential buildings	5,958	6.0	110.2
other structures	26,851	27.2	116.3

Source: Statistical Office of the SR.

Note: Volumes and proportions are at current prices, indices at constant 2000 prices.

Chart 27 Breakdown of Gross Fixed Capital Formation by Production (SKK billions)


Source: Statistical Office of the SR.

Chart 28 Structure of Final Household Consumption in the First Quarter of 2007 (shares in %)


Source: Statistical Office of the SR.

unchanged in comparison with the same period a year earlier, while investment in transport equipment grew by more than 13%. Within the scope of investment in construction, two-digit growth rates were recorded in investment in residential buildings as well as other structures. Investment in buildings & structures as a share of fixed investments increased year-on-year by 2.6 percentage points, to 33.3%.

Final consumption expenditure in the first quarter of 2007 increased year-on-year by 5.6%, due to growth in all sectors, including non-profit institutions. Private consumption grew almost three times faster (6.5% at constant prices) than public consumption (2.4% at constant prices). Relatively strong growth was reported from the general government sector, despite rapid growth in the first quarter of 2006. The relatively dynamic growth was associated with the growing government purchases of goods and services in the public sector. Compared with the same period a year earlier, all components of general government final consumption showed weaker growth dynamics.

Relatively high final consumption in the general government sector

Household final consumption increased year-on-year by 6.5%, and its share of total GDP decreased by 1.4 percentage points, to 56%. Private consumption growth in the household sector over the first quarter was connected with the growth of wages, employment, gross mixed income (remuneration for work and profits earned by sole traders), and the utilisation of credit resources. The total receivables of



Structure of consumption expenditures

monetary financial institutions from households as a share of their final consumption continued to increase over the first quarter of 2007 and reached 26.0% (compared with 25.3% at the end of 2006).

An analysis of household final consumption shows that, in the first quarter of 2007, the most significant year-on-year increases occurred in the expenditures of households on clothes and footwear, transport, and miscellaneous goods and services. The largest consumption components were expenses on food and non-alcoholic beverages (20%) and expenses related to housing (19%). These two components also dominated consumption in the same period a year earlier, but the share of expenses related to housing decreased year-on-year by approximately 1 percentage point.

In terms of relative contributions, the growth in household final consumption in the first quarter of 2007 was based primarily on consumer expenditures on transport; food and non-alcoholic beverages; clothes and footwear; furnishings, household equipment, and the routine maintenance of dwellings; miscellaneous goods and services; and recreation and culture. These five categories of consumption stimulated approximately two-thirds of the consumer demand in the first quarter and recorded a fall (transport) or a slight rise in prices (up to 1%).

Chart 29 Contributions of Consumer Expenditures to Growth in Household Final Consumption by Category (p. p.)

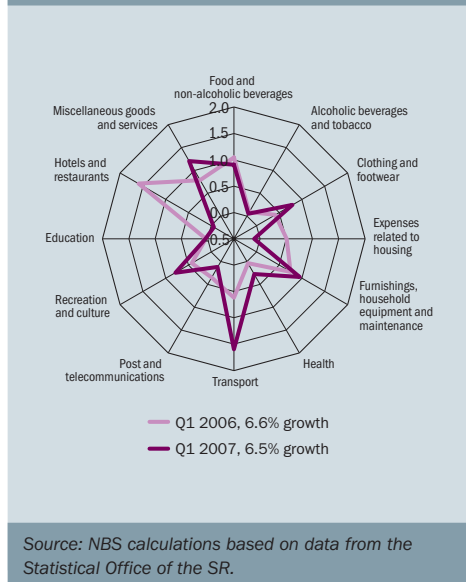
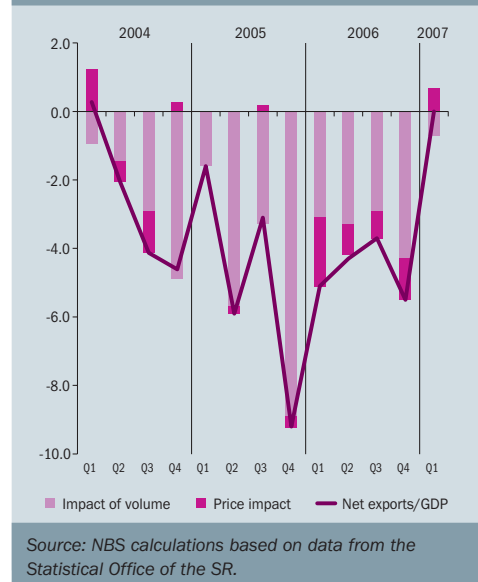


Chart 30 Contribution of Net Exports to GDP (at current prices) (%)



GDP growth was stimulated by net exports

The exports and imports of goods and services achieved two-digit growth rates in the first quarter of 2007 (exports: 23.8%; imports: 16.5% at current prices). The stronger export dynamics led to a year-on-year improvement in the balance of foreign trade (by almost SKK 19 billion), compared with the first quarter of 2006. Thus, nominal net exports resulted in a surplus of SKK 38 million.

Developments in import prices in foreign trade, as measured by the deflator of imports of goods and services, were mainly dependent on the prices of energy-producing raw materials. The prices of exported goods and services also fell, but to a lesser extent than import prices. As a result of a sharper fall in import prices (compared with export prices), trade relations improved year-on-year in the first quarter of 2007.

Chart 31 Export Performance and Import Intensity (%)



The openness of the Slovak economy is widening

The export performance of the Slovak economy improved year-on-year in the first quarter of 2007, when the exports of goods and services as a share of GDP at current prices reached 90.6%, which was 8.4 percentage points more than in the first quarter of 2006. Import intensity also increased at a somewhat slower pace, to 90.5% (87.3%

**Table 22 Impact of Price and Volume on Exports and Imports**

(percentage points)

	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>2006</u>	<u>Q1 07</u>
	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q4 05</u>	<u>2005</u>	<u>Q1 06</u>
Exports of goods and services (year-on-year growth in %, at current prices)	22.2	22.0	26.7	22.3	23.3	23.8
Impact of volume	17.7	18.1	23.8	22.6	20.7	24.1
Impact of price	4.5	3.9	2.9	-0.3	2.6	-0.3
Imports of goods and services (year-on-year growth in %, at current prices)	27.1	19.0	27.0	16.7	22.0	16.5
Impact of volume	19.6	14.0	22.9	15.3	17.8	17.7
Impact of price	7.5	5.0	4.1	1.4	4.2	-1.2
Net exports as a share of GDP (share in %, at current prices)	-5.1	-4.3	-3.7	-5.5	-4.6	0.0
Impact of volume	-3.1	-3.3	-2.9	-4.3	-3.4	-0.7
Impact of price	-2.0	-0.9	-0.8	-1.2	-1.2	0.7
Terms of trade (index)	97.7	98.9	99.0	98.6	98.6	100.8

Source: NBS calculations based on data from the Statistical Office of the SR.

Note: Calculated from GDP figures (in millions of SKK), the contribution of imports of goods and services reduces the values of net exports and GDP; the differences in the subtotals are due to rounding. The terms of trade are calculated from year-on-year changes in the export and import deflators of goods and services.

a year earlier). The openness of the Slovak economy, expressed in terms of the ratio of exports / imports of goods and services to nominal GDP, increased during the first quarter by 11.5 percentage points, to 181.1%.

The supply side of the economy reacted to the increased foreign demand with accelerated value added creation and increased imports. In the first quarter of 2007, the balance of goods and services resulted in a surplus of SKK 38 million at current prices, representing a year-on-year improvement of almost SKK 19 billion. The higher imports were not only connected with the import intensity of production but also with technology imports for the electronics industry and the plans to increase the production capacity of export-oriented economic sectors.

Net exports with a modest surplus

Net exports at constant prices, with price developments in foreign markets taken into account, contributed 5.6 percentage points to the rate of GDP growth in the period under review, and thus exceeded the rate of growth from the previous quarter (5.2 percentage points in the fourth quarter of 2006). Domestic effective demand contributed 6.1 percentage points to GDP growth, while the change in inventories (including statistical discrepancies) dampened the rate of GDP growth in the first quarter (by -2.6 percentage points).

Table 23 Contributions to GDP Growth

(percentage points, constant 2000 prices)

	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>2006</u>	<u>Q1 07</u>
	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q4 05</u>	<u>2005</u>	<u>Q1 06</u>
Gross domestic product	6.7	6.7	9.8	9.6	8.3	9.0
Domestic demand	8.3	5.3	5.6	6.0	6.2	6.1
Final consumption	5.0	4.2	3.6	3.9	4.2	4.2
Households	3.8	3.2	3.5	3.4	3.5	3.7
General government	1.2	1.1	0.2	0.5	0.8	0.4
Non-profit institutions serving households	0.0	0.0	0.0	0.0	0.0	0.0
Gross capital formation	3.2	0.5	5.8	0.6	2.5	-0.1
Gross fixed capital formation	3.3	1.0	1.9	2.1	2.1	1.9
Change in inventories	-0.1	-0.6	3.9	-1.5	0.4	-2.1
Net exports	-1.9	2.9	0.3	5.2	1.7	5.6
Exports of goods and services	15.3	15.9	21.0	21.4	18.5	23.0
Imports of goods and services	17.2	13.0	20.7	16.2	16.8	17.5
Statistical discrepancy	0.4	-0.9	0.0	-0.2	-0.2	-0.6

Source: NBS calculations based on data from the Statistical Office of the SR.

Note: The differences in the subtotals are due to rounding.

Supply

GDP generation in the first quarter of 2007 was mostly influenced by value added creation, which grew year-on-year by 11.1% at constant prices (compared with 9.0% in the same period a year earlier). Net

GDP generation

**Table 24 GDP Generation by Component**
(index, same period a year earlier=100, const. 2000 prices)

	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>2006</u>	<u>Q1 07</u>
	Q1 05	Q2 05	Q3 05	Q4 05	2005	Q1 06
Gross output	110.1	110.7	114.0	119.4	113.7	114.3
Intermediate consumption	110.9	112.2	118.3	121.6	115.8	116.3
Value added	109.0	108.6	108.6	116.3	110.6	111.1
Net tax on products ¹⁾	91.2	93.6	121.0	69.2	91.4	92.2
Gross domestic product	106.7	106.7	109.8	109.6	108.3	109.0

Source: Statistical Office of the SR.

1) Value added tax, excise duty, tax on imports, less subsidies.

taxes on products, including value added tax, excise duty, and import tax, minus subsidies, decreased by 7.8% (in the same period last year by 8.8%). Thus, GDP growth was associated with the increased gross output, as well as the growth in intermediate consumption.

Value added growth was recorded in all sectors. Compared with the previous quarter, value added creation accelerated in manufacturing, transport, post and telecommunications, and education. The strongest value added growth in the first quarter of 2007 was achieved in manufacturing and transport, post and telecommunications (18.8% and 18.9% respectively), but two-digit growth rates were also recorded in other community, social, and personal services, health care, construction, and trade.

Table 25 GDP Development by Sector
(index, same period a year earlier = 100, const. 2000 prices)

	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>2006</u>	<u>Q1 07</u>
	Q1 05	Q2 05	Q3 05	Q4 05	2005	Q1 06
Gross domestic product (GDP)	106.7	106.7	109.8	109.6	108.3	109.0
of which:						
Agriculture and fishing	98.7	99.6	103.4	107.4	102.6	102.4
Industry in total	104.0	108.4	114.6	115.2	110.6	115.2
Mining and quarrying	71.8	76.1	72.7	81.0	75.4	98.1
Manufacturing	104.7	107.7	113.4	116.6	110.7	118.8
Electricity, gas, and water supply	103.5	121.1	135.8	108.0	114.7	96.6
Construction	103.5	105.5	106.5	122.1	109.8	111.9
Services in total	115.4	110.2	105.4	117.3	111.8	108.6
Trade	134.0	124.5	106.8	136.1	122.8	110.0
Hotels and restaurants	112.9	105.8	112.9	111.0	110.5	100.6
Transport, storage, post and telecom.	107.8	102.4	109.3	115.7	109.2	118.9
Financial intermediation	103.4	103.9	123.0	114.2	110.3	103.2
Real estate, renting, and business activities	114.7	110.6	96.0	114.3	108.8	102.4
Public administration, defence, and compulsory social security	108.9	96.9	106.3	106.8	104.7	104.2
Education	106.5	101.5	105.8	103.7	104.2	108.6
Health and social services	107.0	101.0	95.2	121.1	105.2	112.1
Other community, social, and personal services	123.2	118.3	109.1	124.6	118.9	116.7
Other ¹⁾	91.2	93.6	121.0	69.2	91.4	92.2

Source: Statistical Office of the SR.

1) Value added tax, excise duty, tax on imports, less subsidies.

In industry, value added growth was a result of a year-on-year increase in value added in manufacturing, accompanied by a value added fall in electricity, gas, and water supply. Value added growth in manufacturing was mainly stimulated by the manufacture of machines, electrical equipment, and transport vehicles, and the production of chemical, oil, and rubber products (coke, refined oil products, and nuclear fuel; chemicals, chemical products, including fibres; rubber and plastic products – the data are merged due to confidential data protection).



Table 26 GDP Development by Sector						
	(contributions to growth, % points)					
	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>2006</u>	<u>Q1 07</u>
	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q4 05</u>	<u>2005</u>	<u>Q1 06</u>
Gross domestic product (GDP)	6.7	6.7	9.8	9.6	8.3	9.0
of which:						
Agriculture and fishing	-0.1	0.0	0.2	0.4	0.1	0.1
Industry in total	1.5	2.7	4.7	5.0	3.5	5.4
Construction	0.2	0.3	0.4	1.3	0.6	0.6
Services in total	6.3	4.5	2.5	7.2	5.1	3.8
Trade	2.9	2.8	0.9	2.6	2.3	1.1
Hotels and restaurants	0.1	0.1	0.2	0.1	0.1	0.0
Transport, storage, post and telecom.	0.5	0.2	0.8	1.3	0.7	1.3
Financial intermediation	0.1	0.1	0.6	0.3	0.3	0.1
Real estate, renting, and business activities	1.5	1.0	-0.4	1.3	0.9	0.3
Public administration, defence, compulsory social security	0.3	-0.1	0.3	0.4	0.2	0.1
Education	0.2	0.0	0.1	0.1	0.1	0.2
Health and social services	0.0	-0.1	0.4	0.1	0.3	0.2
Other community, social, and personal services	0.4	0.3	0.2	0.5	0.4	0.4
Other ¹⁾	-1.1	-0.8	2.0	-4.4	-1.1	-0.9

Source: Statistical Office of the SR.
Note: Contributions are rounded to one decimal place; hence, the sum totals do not correspond to the sum of contributions.
1) Value added tax, excise duty, tax on imports less subsidies.

Gross National Income

According to revised data from the Statistical Office of the SR, gross national income⁶ (GNI) increased year-on-year by 13.7% at current prices in the first quarter of 2007. Compared with the same period last year, the rate of GNI growth accelerated by 5.2 percentage points, which was 1.1 percentage points more than GDP dynamics at current prices (12.4%). Gross national disposable income (GNDI) increased year-on-year by 13.5% at current prices.

Gross national income was higher than GDP

Table 27 Comparison of GDP, GNI, and GNDI						
	(SKK billions, current prices)					
	<u>Q1 06</u>	<u>Q2 06</u>	<u>Q3 06</u>	<u>Q4 06</u>	<u>2006</u>	<u>Q1 07</u>
	<u>Q1 05</u>	<u>Q2 05</u>	<u>Q3 05</u>	<u>Q4 05</u>	<u>2005</u>	<u>Q1 06</u>
Gross domestic product (GDP)	368.8	403.8	424.9	438.8	1636.3	414.6
Gross national income (GNI)	364.9	382.6	408.8	430.3	1589.6	415.9
Gross national disposable income (GNDI)	365.6	390.9	406.1	426.7	1589.3	415.0
GDP – growth index	108.7	110.6	113.9	111.5	111.2	112.4
GNI – growth index	108.8	110.5	112.5	111.5	110.9	113.7
GNDI – growth index	109.1	113.0	112.0	110.5	111.2	113.5
GNI / GDP ratio in %	98.9	94.8	96.2	98.1	97.0	100.3
GNDI / GDP ratio in %	99.1	96.8	95.6	97.2	97.1	100.1

Source: Statistical Office of the SR.

⁶ Gross national income (GNI) is one of the macroeconomic indicators used for measuring the output of the economy according to the national concept, while GDP is based on the domestic concept, which represents the final result of resident units achieved in the period under review. GNI is calculated as follows: GDP at market prices minus primary income paid by residents to non-residents, plus primary income received by residents from non-residents. Gross national disposable income (GNDI) is a balance-sheet item in the non-financial national accounts, and is calculated from GNI reduced by current transfers paid to non-resident units and increased by current transfers received from non-resident units.



The slightly larger volume of GNI compared with GDP indicates that, in the first quarter of 2007, the inflow of income earned by persons working abroad (employee compensation) into the economy exceeded the outflow of income from economic activity in the territory of the domestic economy (property income, reinvested earnings, and interest). The improving GNI – GDP relationship is primarily attributable to transfers from EU institutions to the SR government.

Wages and Labour Productivity

Developments in average monthly wages in nominal terms ...

In the first quarter of 2007, the average monthly nominal wage of an employee in the Slovak economy increased year-on-year by 7.1%, to SKK 18,511, but its dynamics in comparison with the first quarter of 2006 remained unchanged.

Nominal wage growth was mainly recorded in health care (12.6%); agriculture and fishing (9.5%); other community, social, and personal services (9.3%); transport, storage, post and telecommunications (8.5%); industry (8.3%); and trade and repair activity (8.1%). Above-average wage growth was also recorded in construction (7.9%) and financial intermediation (7.5%). Wages showed below-average dynamics in hotels and restaurants (6.9%); education (6.6%); public administration, defence, and social security (5.6%); and real estate activities (5.1%).

Nominal wages in the entrepreneurial sector (broken down by form of ownership) increased as follows: in enterprises with 20 and more employees by 8.1%, in small enterprises with up to 19 employees by 3%, in budgetary organisations by 7.1%, and in subsidised organisations by 6.4%.

... as well as in real terms

The average real wage increased year-on-year by 4.2% in the first quarter of 2007. Compared with the same period last year, real wage growth accelerated by 1.5 percentage points, which was a result of lower average inflation than a year earlier.

Table 28 Average Monthly Wages and Labour Productivity in the Slovak Economy
(index, same period a year earlier = 100)

	2006					2007
	Q1	Q2	Q3	Q4	Year	Q1
Nominal wage (index)	107.1	108.8	107.7	108.2	108.0	107.1
Real wage (index)	102.7	104.0	102.7	103.9	103.3	104.2
Labour productivity, at current prices	106.6	108.1	111.2	109.1	108.8	109.6
Labour productivity, at constant prices	104.6	104.3	107.2	107.2	106.0	106.2
Real labour productivity, less real wage (percentage points)	1.9	0.3	4.5	3.3	2.7	2.0
Consumer prices (average for the period)	104.3	104.6	104.9	104.1	104.5	102.8

Source: Statistical Office of the SR and NBS calculations based on data from the Statistical Office of the SR.

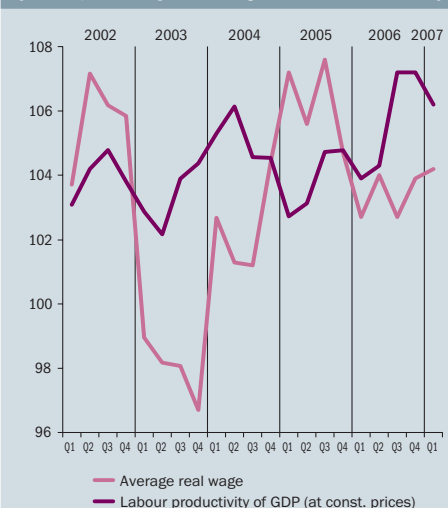
Note: Labour productivity is calculated from revised GDP and employment figures obtained from quarterly statistical reports.

In the first quarter of 2007, real wages increased in all sectors of the economy, with the exception of electricity, gas, and water supply. The steepest increases took place in health care (9.5%); agriculture and fishing (6.5%); other community, social, and personal services (6.3%); transport, storage, post and telecommunications (5.5%); industry (5.4%); trade and repair activities (5.2%).

Development of labour productivity

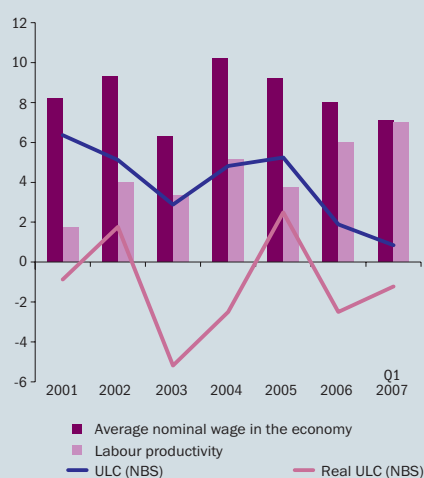
In the first quarter of 2007, labour productivity (GDP per employee according to statistical reports) increased in nominal terms by 9.6% and in real terms by 6.2%. Compared with the same period last year, the growth in labour productivity accelerated in both nominal and real terms. The accelerated growth in labour productivity was connected with the rapid GDP growth, which reached 12.4% in nominal terms and 9.0% in real terms on a year-on-year basis. The growth rate of real labour productivity exceeded the dynamics of real wages in the first half of 2007, by 2.0 percentage points.

Chart 32 Real Wages and Real Labour Productivity
(index, same period a year earlier = 100)



Source: Statistical Office of the SR, NBS calculations.

Chart 33 Unit Labour Costs by Component (NBS methodology) (year-on-year change in %)



Source: Statistical Office of the SR, NBS calculations.

Unit labour costs according to NBS methodology (ULC_{NBS}), defined as the ratio of nominal wages to real labour productivity (GDP at constant prices per employee according statistical records), increased year-on-year in nominal terms by 0.8% while falling in real terms by 1.2% in the first quarter of 2007. In that period, wage growth was exceeded by the growth of labour productivity, which was reflected in the level of unit labour costs, while showing a falling tendency in real terms.

In the first quarter of 2007, nominal compensation per employee (ESA 95) increased year-on-year by 7.0%, representing an acceleration of 1.3 percentage points in comparison with the same period a year earlier. The growth in real compensation per employee accelerated in comparison with the same period a year earlier by 3.3 percentage points, to 4.8%. Labour productivity, calculated according to ESA 95, increased in nominal terms by 10% and in real terms by 6.7% on a year-on-year basis. The growth rate of real labour productivity exceeded the dynamics of real compensation per employee by 1.9 percentage points in the first quarter of 2007.

Unit labour costs according to NBS methodology

Labour market indicators based on ESA 95 for the economy in total

Table 29 Average Compensation per Employee and Labour Productivity in the SR Economy (ESA 95) (index, same period a year earlier=100)

	2006					2007
	Q1	Q2	Q3	Q4	Year	Q1
Compensation per employee - nominal	105.7	107.4	107.4	107.9	107.1	107.0
Compensation per employee - real	101.5	102.7	102.5	104.2	102.7	104.8
Labour productivity, at current prices	106.5	108.1	111.1	109.1	108.7	110.0
Labour productivity, at constant prices	104.5	104.3	107.1	107.2	105.9	106.7
Real labour productivity - real compensation per employee (percentage points)	3.0	1.6	4.6	3.0	3.2	1.9
HICP (average for the period)	104.2	104.6	104.8	103.5	104.3	102.1

Source: NBS calculations based on data from the Statistical Office of the SR.

Note: Labour productivity is calculated from revised GDP and employment figures based on ESA 95.

Table 30 Real Labour Productivity and Compensation per Employee in the First Quarter of 2007 (index, same period a year earlier = 100)

	Real labour productivity (ESA 95)	Real compensation per employee
National economy in total	106.7	104.8
Agriculture and fishing	105.9	111.2
Industry in total	110.6	103.7
Mining and quarrying	98.4	107.0
Manufacturing	113.4	103.7
Electricity, gas, and water supply	100.3	105.8
Construction	104.7	108.8
Wholesale and retail trade, repair activity	108.3	100.8
Hotels and restaurants	96.7	101.5
Transport, storage, post and telecom.	117.5	106.6
Financial intermediation	103.0	107.1
Real estate, renting, business activities	95.6	100.4
Public administration, defence, and compulsory social security	104.2	104.4
Education	111.1	108.3
Health and social services	108.0	105.1
Other community, social, and personal services	129.0	126.3
HICP (average for the period)	-	102.1

Source: Statistical Office of the SR and NBS calculations.



...and in a sectoral breakdown Real labour productivity broken down by sector (calculated as the ratio of GDP to total employment according to ESA 95) increased in most sectors in the first quarter of 2007. The steepest increases were achieved in other community, social, and personal services (29.0%); transport, storage, post and telecommunications (17.5%); manufacturing (13.4%); education (11.1%); trade and repair activities (8.3%); and health services (8.0%). Decline in labour productivity was recorded in real estate services (4.4%), hotels and restaurants (3.3%), and mining and quarrying (1.6%).

Unit labour costs as defined in the ESA 95 Units labour costs according to the ECB's methodology (ULC_{ECB}), defined as the ratio of growth in nominal compensation per employee to growth in real labour productivity (GDP per total employment) based on ESA 95 data, increased year-on-year by 0.3% in the first quarter of 2007. Real ULC decreased by 1.8% on a year-on-year basis. Compared with the same period a year earlier, the growth in nominal ULC slowed by 0.9 of a percentage point, while real ULC growth slowed by 1.1 percentage points in comparison with the first quarter of 2006. Unit labour costs were affected by the excess of labour productivity growth over growth in compensation per employee, and showed a falling tendency in nominal terms in the first quarter of 2007.

Chart 34 Unit Labour Costs by Component (ECB methodology) (year-on-year change in %)



Source: Statistical Office of the SR and NBS calculations.

Income and Expenditure of Households

Accelerated growth in current income, ... In the first quarter of 2007, the year-on-year growth in household income accelerated in nominal terms by 10.9% and in real terms by 7.9%. The growth in nominal current income was 0.7 of a percentage point faster than in the same period a year earlier. Regarding the structure of current income, the first quarter of 2007 saw the most rapid growth in income from property (21.3%). Gross mixed income increased year-on-year by 11.5%, other current transfers by 11.0%, employee compensations (10.9%), and social security benefits (8.2%).

Table 31 Generation and Use of Incomes in the Household Sector

(current prices)

	SKK billions		Indices ¹⁾		Share in %	
	2006	2007	Q1 2006	Q1 2007	2006	2007
	Q1	Q1	Q1 2005	Q1 2006	Q1	Q1
Compensation of employees (all sectors)	142.6	158.0	107.7	110.9	48.6	48.5
of which: gross wages and salaries	115.1	127.9	109.7	111.1	39.2	39.3
Gross mixed income	89.9	100.2	115.1	111.5	30.6	30.8
Income from property – received	8.5	10.3	113.0	121.3	2.9	3.2
Social security benefits	43.2	46.7	108.0	108.2	14.7	14.3
Other current transfers – received	9.4	10.5	113.2	111.0	3.2	3.2
Current income in total	293.6	325.7	110.2	110.9	100.0	100.0
Income from property – paid	2.1	3.7	115.2	171.3	3.5	5.5
Current tax on income, property, etc.	8.1	8.8	105.6	109.4	13.4	13.2
Social security contributions	41.2	45.1	99.1	109.5	68.0	67.4
Other current transfers – paid	9.2	9.3	116.4	102.0	15.2	13.9
Current expenditure in total	60.6	66.9	102.8	110.5	100.0	100.0
Gross disposable income	233.0	258.8	112.3	111.1	-	-
Adjustment for changes in the net assets of households in the reserves of pension funds	6.3	6.6	816.5	105.1	-	-
Household final consumption	221.5	241.9	112.2	109.2	-	-
Gross savings of households	17.8	23.5	166.3	131.9	-	-
Ratio of gross household savings	7.7	9.1	-	-	-	-

Source: Statistical Office of the SR.
Note: Indices based on figures expressed in billions of SKK.

In the first quarter of 2007, current expenditure increased year-on-year by 10.5%, in real terms by 7.5%. Compared with the first quarter of 2006, the growth in nominal current expenditure was 7.7 percentage points faster in nominal terms (8.9% in real terms). Within the scope of current expenditure, the

...accompanied by an increase in current expenditure

Table 32 Gross Disposable Income

(SKK billions, current prices)

			2006			2007
	Q1	Q2	Q3	Q4	Year	Q1
Gross disposable income	233.0	240.4	244.1	282.4	999.9	258.8
Household final consumption	221.5	224.8	235.3	245.7	927.2	241.9
Gross household savings	17.8	22.6	16.8	45.4	102.7	23.5
Ratio of gross savings to gross disposable income (%)	7.7	9.4	6.9	16.1	10.3	9.1

Source: Statistical Office of the SR.

Chart 35 Propensity of Households to Save and Consume

(%)



Source: Statistical Office of the SR, NBS calculations.

strongest growth took place in expenditure incurred in connection with property income (71.3% year-on-year). Social security contributions increased year-on-year by 9.5%, current taxes on income and property by 9.4%, and other current transfers by 2.0%.

With current expenditure being deducted from current income, the gross disposable income of households amounted to SKK 258.8 billion, representing a year-on-year increase of 11.1% (compared with 12.3% a year earlier). Of the disposable income, 93.5% was used for final consumption, the remainder went to gross savings, which increased year-on-year by 31.9%. The total increase in the dynamics of gross savings, which exceeded the dynamics of gross disposable income, was reflected in the ratio of gross household savings (9.1%), which was 1.4 percentage points higher than a year earlier (7.7%).

Employment and Unemployment

According to statistical reports, employment grew year-on-year by 2.6% in the first quarter of 2007, representing an acceleration of 0.6 of a percentage point com-

The dynamic growth in employment continued

Table 33 Employment and Unemployment

(average for the period)

				2006			2007
		Q1	Q2	Q3	Q4	Year	Q1
Employment (based on statistical reports) ¹⁾	in thousands	2,121.8	2,140.1	2,147.5	2,183.4	2,148.2	2,201.3
	Index (same period a year earlier = 100)	102.0	102.3	102.4	102.2	102.2	102.6
Employment (based on a labour force survey)	in thousands	2,257.5	2,294.6	2,320.8	2,332.7	2,301.4	2,326.6
	Index (same period a year earlier = 100)	103.7	104.5	103.8	103.5	103.8	103.1
Employment (based on ESA 95)	in thousands	2,101.5	2,121.8	2,148.6	2,155.2	2,131.8	2,147.8
	Index (same period a year earlier = 100)	102.1	102.3	102.5	102.2	102.3	102.2
Unemployment (based on a labour force survey)	in thousands	395.8	357.1	341.6	319.0	353.4	303.0
	Index (same period a year earlier = 100)	85.7	84.0	82.3	78.3	82.7	76.6
Unemployment rate (based on a labour force survey)	in %	14.9	13.5	12.8	12.0	13.3	11.5
Registered unemployment rate ²⁾	in %	11.6	10.7	9.9	9.3	10.4	9.2

Source: Statistical Office of the SR.

1) Including the armed forces (with effect from 2006, professional soldiers from 2007); the indices are calculated from revised data.

2) NBS calculations based on monthly data from the Centre for Labour, Social, and Family Matters.



pared with the same period of 2006. According to the ESA 95 methodology, employment growth reached 2.2% in the first quarter of 2007, which was 0.1 of a percentage point more than a year earlier. According to a labour force sample survey (LFSS), the rate of employment growth slowed by 0.7 of a percentage point compared with the first quarter of 2006, to 3.1% in the first quarter of 2007. This slowdown was mainly a result of slower growth in the number of persons working in the domestic economy, compared with the same period last year.

Development of employment by sector

Looking at the breakdown of employment by sector, the first quarter of 2007 witnessed employment growth in real estate, renting, and business activities, construction, manufacturing, hotels and restaurants, and health care (according to the ESA 95 methodology). On the other hand, employment remained below the level recorded a year earlier in other community, social, and personal services; electricity, gas, and water supply; agriculture; education; and mining and quarrying.

Table 34 Developments in Employment by Sector (ESA 95)
(index, same period a year earlier = 100)

	Q1	Q2	2006			2007
			Q3	Q4	Year	Q1
Total	102.1	102.3	102.5	102.2	102.3	102.2
Agriculture, forestry, and fishing	99.1	101.8	100.5	99.2	96.7	
Industry	99.3	98.0	102.4	103.2	100.7	104.1
Mining and quarrying	94.6	98.1	99.1	98.8	97.6	99.8
Manufacturing	99.4	97.9	102.6	103.6	100.9	104.8
Electricity, gas, and water supply	99.2	98.3	100.7	98.9	99.1	96.2
Construction	109.4	108.1	106.3	113.8	109.3	106.9
Trade	105.7	108.8	104.0	100.0	104.5	101.6
Hotels and restaurants	106.0	112.9	113.5	106.9	109.8	103.9
Transport, storage, post and telecom.	100.7	100.7	100.4	100.3	100.5	101.2
Financial intermediation	95.1	100.1	102.4	100.8	99.6	100.1
Real estate, renting, and business activities	103.5	104.1	104.1	107.7	104.8	107.2
Public administration, defence, compulsory social security	105.7	101.9	100.5	98.5	101.6	100.0
Education	100.5	101.8	100.2	100.1	100.7	97.7
Health and social services	95.9	95.0	103.4	102.7	99.2	103.8
Other community services	106.2	100.9	89.2	89.2	96.2	90.5

Source: Statistical Office of the SR.

Unemployment continued to fall

The increased demand for labour led to a further fall in unemployment. In the first quarter of 2007, the average number of unemployed (according to a labour force sample survey) decreased in comparison with the same period a year earlier by 23.4%. This decrease was also reflected in the rate of unemployment, which reached its lowest level since 1998, i.e. a quarterly average of 11.5% (compared with 14.0% a year earlier).

The falling trend in unemployment was also confirmed by data based on the methodology of registered unemployment. According to the registers of Offices for Labour, Social, and Family Matters, the average unemployment rate in the first quarter of 2007 was 9.2% (11.6% in the first quarter of 2006).

Increased labour supply

In the first quarter of 2007, the continuing year-on-year growth in labour supply (i.e. persons in productive and post-productive age) was mostly reflected in the increased number of economically inactive persons (i.e. persons outside the labour market). As a result of this development, the rate of economic activity reached 58.5%, representing a year-on-year fall of 0.5 of a percentage point. Among the economically active population, the increasing share of persons in employment led to a rise in the employment rate, by 1.8 percentage points year-on-year in the first quarter of 2007, to 60.1%.

Chart 36 Unemployment Rate



Source: Centre for Labour, Social, and Family Matters.

Financial Results of Corporations

According to preliminary data from the Statistical Office of the SR, financial and non-financial corporations earned a total profit of SKK 80 billion in the first quarter of 2007. This profit was 27% higher than in the same period of 2006, which was a result of stronger earnings reported by both financial and non-financial corporations.

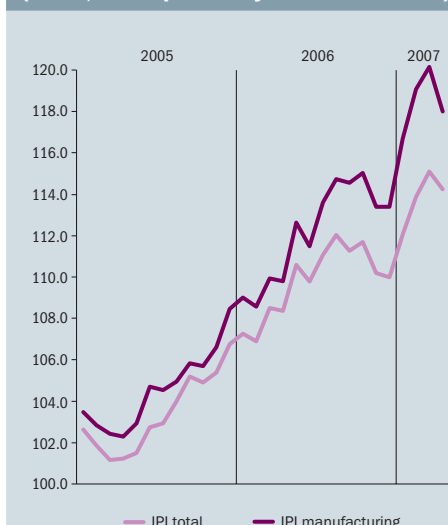
Table 35 Financial Results of Corporations		(SKK millions, current prices)	
		1st quarter, 2007	Index 1st quarter, 2007 1st quarter, 2006
Financial result (before taxation)			
Non-financial and financial corporations in total		80,020	127.1
Non-financial corporations		69,861	125.3
Financial corporations		10,159	140.6
of which: NBS		-422	-
Financial corporations, excluding the NBS		10,581	129.0

Source: NBS calculations based on data from the Statistical Office of the SR.

The higher profits of non-financial corporations were mostly connected with their year-on-year growth in trade, transport, post and telecommunications, manufacturing, and construction. Among the key sectors, lower earnings than a year earlier were recorded in electricity, gas, and water supply.

Among non-financial corporations, the profits recorded in the first quarter of 2007 were mostly generated by entrepreneurial entities in manufacturing (SKK 24 billion), trade (SKK 13.5 billion), and electricity, gas, and water supply (SKK 14.9 billion). Profits in transport, post and telecommunications reached SKK 12.4 billion, in construction SKK 2.6 billion, in real estate and renting activities SKK 1.5 billion, in other community services SKK 0.7 billion, in mining and quarrying SKK 0.5 billion, in hotels and restaurants SKK 0.4 billion, and in education SKK 0.1 billion. Losses in that period were recorded in health and social services (SKK 0.2 billion) and agriculture, forestry, and fishing (SKK 0.4 billion). Agriculture suffered a loss of SKK 1.2 billion in the first quarter.

Chart 37 Development of Industrial and Manufacturing Production (3-month moving averages) (Index, same period a year earlier = 100)



Source: Statistical Office of the SR.
Note: IPI - Industrial Production Index. The index is adjusted for calendar effects.

The earnings of financial corporations increased year-on-year by 40.6%. Financial corporations earned a total profit of SKK 10.2 billion in the first quarter of 2007. This development can mainly be ascribed to the better financial results of monetary financial institutions, whose profits grew year-on-year by SKK 2.2 billion, to SKK 5.8 billion. The earnings of other financial intermediaries (non-bank financial institutions) increased year-on-year by SKK 0.4 billion, to SKK 2.4 billion. The profits of insurance corporations and pension funds increased year-on-year by SKK 0.8 billion, to SKK 2.4 billion.

Current Developments

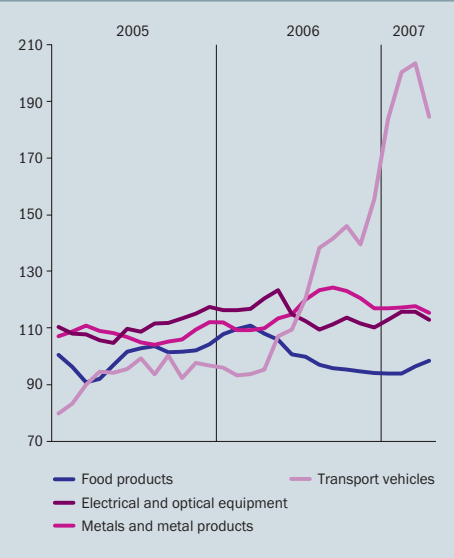
Production and Receipts

In April, the year-on-year growth rate of industrial production accelerated slightly in comparison with March 2007, mainly as a result of faster growth in manufacturing production. The accelerated year-on-year growth in food processing, the production of refined oil products and coke, machines and equipment, and electrical and optical equipment in particular, provided a source for stronger growth in both manufacturing and industrial production in comparison with the previous month.

The decelerated year-on-year growth in construction was a result of slower growth in domestic production in new



Chart 38 Development of Manufacturing Production in Selected Sectors (3-month moving averages) (Index, same period a year earlier = 100)



Source: Statistical Office of the SR.
Note: The index is adjusted for calendar effects.

Chart 39 Production in the Construction Sector (3-month moving average) (Index, same period a year earlier = 100)



Source: Statistical Office of the SR.
Note: Corporate method at constant 2000 prices.

construction, reconstruction, and modernisation projects, and slower growth in construction repair and maintenance work.

The somewhat faster growth in retail sales was mainly a result of stronger year-on-year growth in receipts from other specialised retail trade, the retail sales of food, beverages, and tobacco in specialised and non-specialised shops. Sales in other non-specialised retail shops grew at a slower rate on a year-on-year basis.

The year-on-year growth in the receipts of entities specialising in the sale and maintenance of motor vehicles and the retail sale of fuels was at approximately the same level as in March 2007. The slight slowdown in the dynamics of receipts from the sale of motor vehicles and the retail sale of fuels was offset by a marked acceleration in the year-on-year growth of receipts from the maintenance of motor vehicles.

The marked slowdown in the year-on-year growth of receipts from services related to real estate, renting, and business activities in April 2007 (compared with March) was mostly a result of a slowdown in the year-on-year growth of receipts from other business services.

Chart 40 Retail Sales (3-month moving averages) (Index, same period a year earlier = 100)



Source: Statistical Office of the SR.
Note: The index is at constant December 2000 prices.



Table 36 Production and Receipts

	SKK millions, curr. prices		Indices			
	Apr. 2007	Cumul. since begin. of year	Apr. 2006	Jan. - Dec. 2006	Mar. 2007	Apr. 2007
Production						
Industrial production index ¹⁾	-	-	106.0	109.9	112.6	114.9
of which:						
Mining and quarrying	-	-	86.5	90.4	107.0	108.1
Manufacturing	-	-	107.0	112.4	115.8	118.1
Electricity, gas, and water supply	-	-	102.3	97.6	93.0	92.4
Construction ²⁾	12,418	42,157	111.6	114.9	116.1	114.1
of which:						
Construction in Slovakia	12,013	40,788	114.7	116.1	116.6	113.6
Construction abroad	405	1,369	58.0	87.9	105.5	130.4
Receipts from own-output and goods						
Industry in total ³⁾	156,411	656,615	104.6	114.5	116.7	117.1
Construction ²⁾	19,126	65,442	119.6	113.3	115.9	113.0
Retail trade ³⁾	36,157	133,499	108.6	108.8	106.0	106.2
Sale and maintenance of vehicles, retail sale of fuels ³⁾	18,262	66,715	111.9	113.6	128.2	128.4
Transport, storage ³⁾	12,833	51,051	107.6	111.6	101.8	99.8
Real estate, renting, and business services ³⁾	15,204	59,326	117.0	110.9	108.7	101.8

Source: Statistical Office of the SR.
1) Adjusted for calendar effects (the data in the time series are continually revised with retrospective effect).
2) Index, same period of the previous year = 100 (constant prices, average for 2000 = 100).
3) Index, same period of the previous year = 100 (constant prices, December 2000 = 100, transport and storage - current prices).

Wages, Employment, and Unemployment

In April 2007, the year-on-year rate of nominal wage growth accelerated in comparison with March 2007 in industry, transport and storage, real estate and renting activities, and hotels and restaurants. In the other sectors, nominal wages grew at a slower rate than in the previous month. The most significant slowdown in nominal wage growth occurred in post and telecommunications.

Nominal wages

Over the first four months of 2007, the average rate of nominal wage growth accelerated most significantly in comparison with the same period a year earlier in post and telecommunications, industry, and the sale and maintenance of vehicles. On the other hand, a marked slowdown was recorded in hotels and restaurants, and in wholesale trade.

The year-on-year growth in real wages in April 2007 was slower than in the previous month in post and telecommunications, retail trade, construction, wholesale trade, and the sale and maintenance of vehicles.

Real wages

The average rate of real wage growth in the first four months of 2007 was faster than in the same period a year earlier, in most sectors under review. The acceleration in the year-on-year rate of real wage growth was mainly a result of lower year-on-year inflation than a year earlier. The year-on-year rate of wage growth moderated in hotels and restaurants, and in wholesale trade.

In April 2007, the year-on-year growth in employment slowed in comparison with March 2007 in most sectors under review. Accelerated growth was recorded in real estate and renting activities, transport and storage. In hotels and restaurants, employment grew at the same rate as in the previous month.

Employment

Over the first four months of 2007, the average rate of employment growth accelerated in comparison with the same period a year earlier in industry, the sale and maintenance of vehicles, and transport and storage.

**Table 37 Wage Development by Sector** (index, same period a year earlier = 100)

	Average monthly nominal wage			Average monthly real wage		
	Year	Jan. – Apr.		Year	Jan. – Apr.	
	2006	2006	2007	2006	2006	2007
Industry	106.8	103.7	108.2	102.2	99.4	105.3
of which: manufacturing	106.9	103.4	108.8	102.3	99.0	105.8
Construction	105.0	105.9	106.9	100.5	101.5	104.0
Retail trade	110.7	108.1	106.9	105.9	103.6	104.0
Wholesale trade	107.4	108.4	104.4	102.8	103.9	101.6
Sale and maintenance of vehicles	109.9	103.9	107.9	105.2	99.6	105.0
Real estate, renting, and other business services	109.5	108.1	109.7	104.8	103.6	106.7
Transport	107.1	105.1	108.2	102.5	100.7	105.3
Post and telecommunications	106.1	104.6	113.5	101.5	100.2	110.4
Consumer prices	104.5	104.3	102.8	-	-	-

Source: Statistical Office of the SR.
Notes: The above sectors accounted for 65.9% of total employment in the year 2005.
Real wage index = nominal wage index / consumer price index.

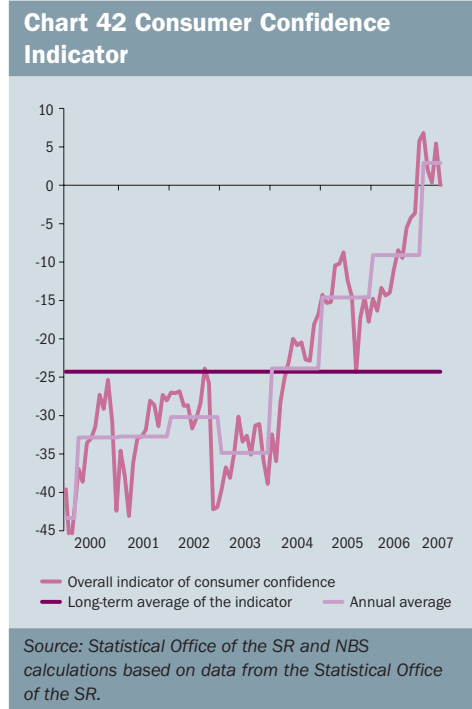
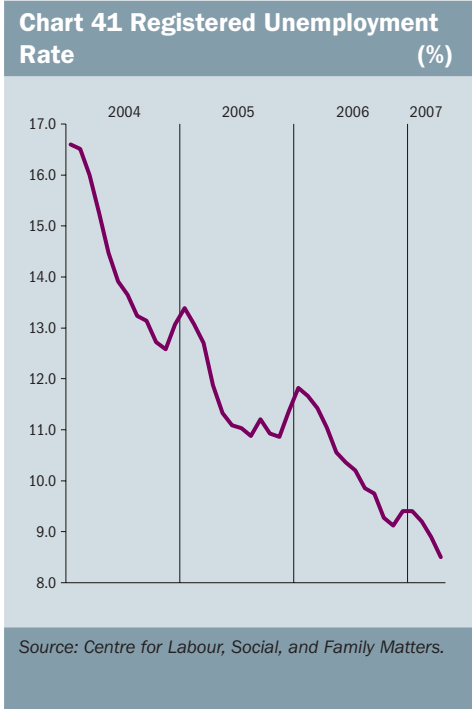
Table 38 Employment in Selected Sectors (index, same period a year earlier = 100)

	Employment		
	Year	Jan. – Apr.	
	2006	2006	2007
Industry	98.7	98.7	104.9
of which: manufacturing	98.9	99.0	105.6
Construction	109.3	111.3	106.7
Retail trade	107.4	108.3	107.9
Wholesale trade	109.2	106.5	104.0
Sale and maintenance of vehicles	108.4	113.5	119.2
Real estate, renting, and business activities, and other services	104.1	105.6	104.4
Transport	99.8	100.5	102.5
Post and telecommunications	98.8	99.1	96.9

Source: Statistical Office of the SR.

Unemployment According to data from the Centre for Labour, Social, and Family Matters, the total number of unemployed dropped month-on-month by 11,200, to 253,300 in April 2007. The number of disposable unemployed, who may start working immediately, accounted for 221,000, which was 10,100 less than in March. The rate of registered unemployment stood at 8.5% in April. This was 2.5 percentage points less than in April 2006.

The average length of registration was 10.5 months (representing a year-on-year decrease of 1.1 months). Compared with March, the share of long-term unemployed (out of work for more than 12 months) increased by 1.2 percentage points, to 53.9% in April.



Consumer Confidence Indicator

In May, the consumer confidence indicator dropped in comparison with the previous month, to 0.0 point (from 5.4 points in April). Compared with April, deteriorations were recorded in all components of the indicator (the expected financial situation of households, expected household savings, expected unemployment rate, and expected economic development in the SR). Compared with the same period last year, the consumer confidence indicator has improved by 14.0 points.

Fall in the consumer confidence indicator



5 Monetary Developments

5.1 Foreign Exchange Market

Operations on the foreign exchange market

Over the course of May, the exchange rate of the Slovak koruna against the euro weakened by 1.2% (from SKK/EUR 33.667 to SKK/EUR 34.084), while the average rate depreciated by 0.8%. The Slovak koruna deviated from its central rate (SKK/EUR 35.4424) most significantly on 9 May 2007, when its exchange rate was fixed at SKK/EUR 33.541, representing an appreciation of 5.4% from central parity. In relation to the US dollar, the koruna weakened by 3.1% (from SKK/USD 24.636 to SKK/USD 25.397), while depreciating in average terms by 0.7%.

Spot transactions between foreign and domestic banks resulted in a positive balance (USD 1,031.15 million), i.e. foreign banks purchased mostly foreign currency and sold Slovak koruna.

The Národná banka Slovenska conducted no foreign exchange interventions in May.

Table 39 Changes in the SKK/EUR and SKK/USD Exchange Rates

	Month-on-month change	$\bar{\varnothing}$ May 2007 $\bar{\varnothing}$ May 2006	$\bar{\varnothing}$ Jan. – May 2007 $\bar{\varnothing}$ Jan. – May 2006
SKK/EUR	1.2	-10.2	-9.1
SKK/USD	3.1	-15.3	-16.3

Source: NBS.
Note: + Depreciation of the SKK, - Appreciation of the SKK, $\bar{\varnothing}$ Means average.

At the beginning of the month, the koruna, together with the currencies of other emerging markets, came under pressure owing to the unstable political situation in Turkey. The koruna weakened for a short time, to SKK/EUR 33.900. The subsequent modest appreciation of the koruna can mainly be ascribed to the positive reaction of the region to the easing of the situation in Turkey. This was followed by trading within a narrow band (SKK/EUR 33.700 to 33.500), accompanied by low liquidity in the market caused by the holidays). In general, the koruna followed the trend ongoing in the region and did not react to the acceptance in full of a repo tender. On 14 May (Monday), the koruna reached the SKK/EUR 33.500 level as a result of record GDP growth expectations. The following day, the data released failed to confirm the expectations and the koruna weakened slightly, to SKK/EUR 33.600. On the next days, the koruna continued to weaken under the influence of speculation about a possible interest rate increase in the CR and the overall weakening of currencies in the region.

There were big sell-offs in emerging markets on Thursday, 24 May, following a downturn in equity markets in reaction to the statement of Alan Greenspan, former head of the Fed, about the unsustainable growth observed in Chinese equity markets. The koruna reacted by weakening by 20 haliers, up to the psychological SKK/EUR 34.000 level (during less liquid deals in the evening). The following day, the koruna weakened still further, above the psychological SKK/EUR 34.000 level, and reached a ten-week minimum (SKK/EUR 34.170), due to the continuing sell-offs in emerging markets and the traditional weakening of the koruna as a result of dividend payments to foreign investors. Developments at the end of the month were still influenced by regional sentiments. The aversion of investors to risks was also increased by another decline in Chinese share prices on Wednesday, during trading in the morning hours, after the Chinese government increased the rate of transaction tax for trading in shares.

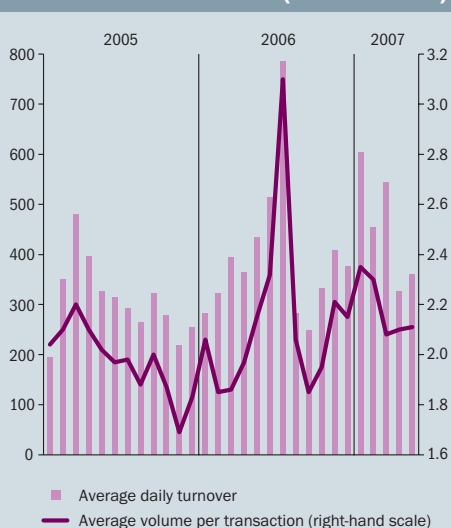
Interbank foreign exchange market

The total volume traded on the interbank foreign exchange market reached USD 80,804.3 million, representing a 12.6% increase in comparison with the figure for April (USD 71,783.0 million). Of the total trading volume, 89.5% took place in swap transactions, which were conducted mostly in USD (96.1%). Spot transactions accounted for 8.9% of the total turnover (96.8% of the deals were in EUR). The average daily turnover on the spot market reached USD 359.57 million and the average volume per transaction amounted to USD 2.11 million.

The volume of transactions between domestic commercial banks increased, from USD 5,934.8 million in April to USD 8,143.7 million in May. Most trading took place in USD (75.4%, compared with 74.0% in April), followed by EUR (23.7%, compared with 25.1% in April) and other currencies (0.9% of the total turnover between domestic commercial banks).

Transactions between domestic banks accounted for 11.2% of the total volume traded on the interbank foreign exchange market (compared with 8.3% in the previous month). Of the total volume of transactions

Chart 43 Interbank Foreign Exchange Market Transactions
(USD millions)



Source: NBS.

between domestic banks, swap operations accounted for 81.6% (76.8% in April) and spot transactions, excluding interventions 18.0% (23.0% in April).

The volume of trading between domestic and foreign banks increased by 11.2%, from USD 64,898.6 million in April to USD 72,660.6 million in May. Most trading was again conducted in USD (87.3%, compared with 87.3% in April), followed by EUR (12.5%, compared with 12.4% in April), and other currencies (0.2%). Trading between domestic and foreign banks still dominated the country's overall foreign exchange market (with a share of 89.9%).

Trading between domestic and foreign banks also took place predominantly in the form of swap operations (90.3%, compared with 90.0% in April), while spot transactions accounted for 7.9% (8.5% in April). The share of forward dealings on the foreign exchange market was negligible. Option contracts accounted for 1.6% of the volume traded with foreign banks.

Compared with the previous month, the Slovak-koruna deposits of non-resident banks increased in volume to

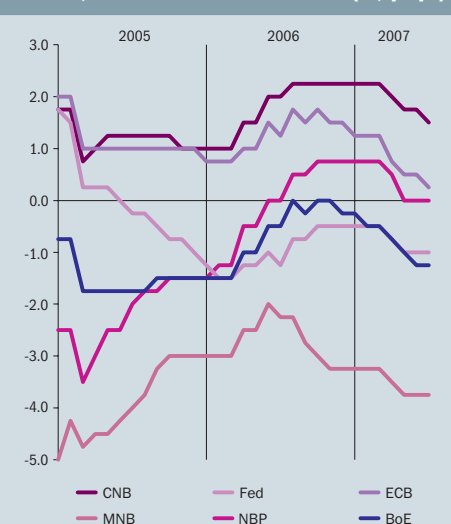
Table 40 Koruna Assets / Liabilities and Government Securities Held by Non-Residents
(SKK billions)

	2006			2007					
	28.4.	30.11.	31.12.	31.1.	28.2.	31.3.	30.4.	31.5. ^(p)	7.6. ^(p)
Koruna assets, banks	6.0	10.6	13.5	13.6	16.1	12.8	18.0	16.0	17.1
Koruna liabilities	93.5	78.7	61.7	60.2	41.0	46.0	68.7	.	.
of which: banks	86.3	71.2	53.7	51.9	33.4	37.6	59.0	40.2	39.4
non-bank clients	7.2	7.5	8.0	8.3	7.6	8.3	9.7	.	.
Government securities	90.7	89.1	86.4	63.4	63.1	70.8	82.8	81.9	.
of which: government bonds	90.4	89.1	86.4	63.4	63.1	70.8	82.8	81.9	.
SR Treasury bills	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.
Total	184.2	167.8	148.1	123.6	104.0	116.8	151.5	.	.

Source: NBS and the Central Securities Depository of the SR, a.s.

^(p) Preliminary data from the Dev(NBS) 20-98 'Daily Report on Foreign Exchange Positions'.

Chart 44 Differentials between Key Rates of the Central European Central Banks, the ECB and Fed
(%, p. p.)



Source: NBS, ECB and national central banks.

SKK 59.0 billion at the end of April. The month-on-month increase amounted to SKK 21.3 billion, but the year-on-year increase was SKK 27.3 billion smaller than in the same period a year earlier.

Compared with the previous month, the government securities holdings of non-residents decreased by SKK 0.9 billion during May. Non-residents invested in the May issues of government bonds (Nos. 205/K and 202/P, 7-year and 10-year issues maturing in 2012 and 2014 respectively) much less funds than in April (a total of ca SKK 0.4 billion), while larger outflows were recorded in numerous issues (SKK -1.3 billion).

The share of non-residents in the total amount of issued government bonds decreased slightly, from 23.1% in April to 22.3% in May. In 2007 (to date), the Agency for Debt and Liquidity Management (ARDAL) held no Treasury-bill auctions and, as in the past, no Treasury bills were possessed by non-residents.

In May, the majority of the selected central banks left their key interest rates unchanged; the BoE increased



them by 0.25 of a percentage point, to 5.50% (on 10 May), and the CNB to 2.75% (on 31 May). The other banks left their key rates unchanged in May: the Fed at 5.25% (9 May), the ECB at 3.75% (10 May), the MNB at 8.00% (21 May), the NBS at 4.25% (29 May), and the NBP to 4.25% (30 May).

In June, the BoE decided to leave its key interest rates unchanged (on 7 June), while the ECB raised them by 0.25 of a percentage point, to 4.00% (on 6 June). The other central banks will set their key rates at the end of the month (25 to 28 June). The current interest rate differentials between the NBS and the selected central banks diminished by 0.25 of a percentage point in comparison with the previous month. The differentials are positive vis-à-vis the key rates of the CNB and the ECB (+1.50 / +0.25 percentage points), zero in relation to the NBP, and negative vis-à-vis the Fed, the BoE, and the MNB (-1.00/-1.25/-3.75 percentage points).

5.2 Money Market and Monetary Policy Implementation

At its 20th meeting (held on 29 May 2007), the Bank Board of the NBS decided to leave its key interest rates unchanged, at 2.25% for overnight sterilisation operations, 5.75% for overnight refinancing transactions, and at 4.25% for two-week repo tenders with commercial banks.

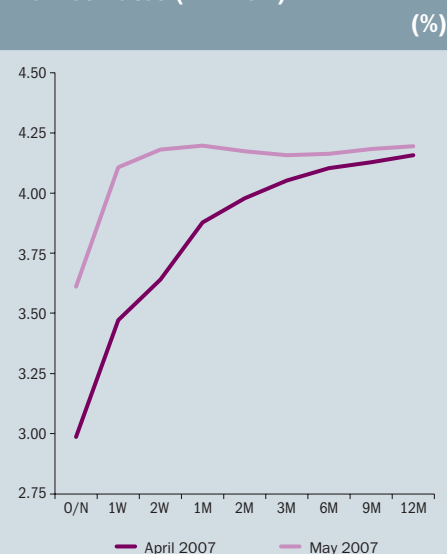
Interest rates Average monthly deposit rates increased in May compared with the previous month, mainly for one- and two-week maturities. Overnight and one-week rates rose by 0.6% and two-week rates by 0.5%. Interest rates for other maturities rose only slightly and approached the 4.25% reference level. The yield curve was virtually flat, except for the overnight rate.

The prices of money market deposits were mainly influenced by the actual level of liquidity in the sector, the exchange rate of the SKK, and the return of the NBS to standard procedures at repo tenders.

The expectations of the banking sector regarding a possible adjustment to the NBS's reference rate changed during the month. The market expected that the NBS would leave its interest rates unchanged in May, mainly in view of the weakening exchange rate of the SKK. The expectation of a further interest rate cut was extended to the third quarter, which was regarded by the sector as the most probable term for a further reference rate reduction. At the end of the month, banks revaluated their expectations. On the basis of an increase in the basic ECB rate and the convergence of the key NBS rates to the level of the euro area, the banking sector expects no change in monetary policy until the end of this year.

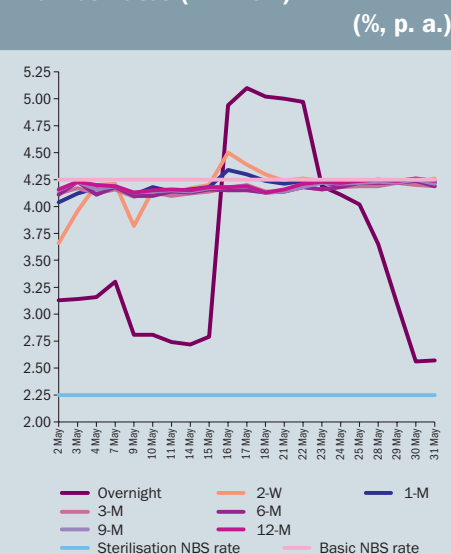
In the first half of the month, interest rates were at a somewhat lower level than at the end of the month. The upward shift in the rates to the reference value was mainly caused by the standardisation of the procedure followed by the NBS at repo tenders. Apart from the overnight rate, sharp fluctuations were recorded in rates correlating with the maturity of the tender. Their values reflected the actual liquidity situation on the market. In the middle of the month, these rates rose to higher levels than the

Chart 45 Average Monthly Interbank Market Rates (BRIBOR)

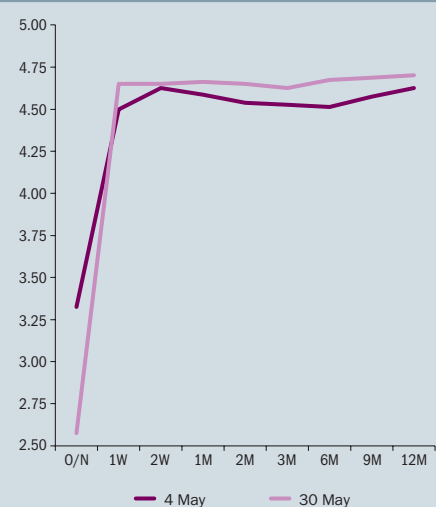


Source: NBS.

Chart 46 Developments in Interbank Market Rates (BRIBOR)



Source: NBS.

Chart 47 Yield Curve at the Beginning and End of the April BRIBOR (%)


Source: NBS.

rates for long-term maturities and the yield curve acquired an inverse shape. When the liquidity position had become balanced, the rates dropped and the yield curve flattened.

After being curtailed in the previous periods, bids made at sterilisation tenders were accepted in full throughout the month of May, which was interpreted by the banking sector as return to standard procedures. At the beginning of the month, there was a difference between the average interest rate accepted and the limit rate (0.2%) compared with the previous tender, where the average interest rate requested was identical to the reference rate. In the second half of May, the quoted 2-week rate also showed a tendency to approach the 4.25% limit rate.

The NBS again decided to apply standardisation in respect of NBS bills. During the month of May, there were two auctions for NBS bills, with increased demand on the part of banks. At the first auction, demand was stimulated by expectations of a cut in the key NBS rates in the third or fourth quarter. The increased demand at the second auction was ascribable to the distribution

of assets by maturity. The yield required was at a level below the limit rate, mainly at the first auction. The average interest rate was 0.1% lower than at the second auction, where the average rate was immediately below the key rate.

A comparison of the yield curves at the beginning of the month and after the Bank Board's decision to leave the key NBS rates unchanged indicates that the sector expected no other result. The interest rate curve from the beginning of the month was at a slightly lower level than at the end of the period.

The level of liquidity in May was mostly influenced by auctions for sterilisation tenders and NBS bills. The average daily sterilisation position of the NBS increased in comparison with April by SKK 5.12 billion, to SKK 382.18 billion.

Liquidity

During the month, the banking sector maintained a liquidity surplus in cumulative terms, though the second half of the month saw a daily shortage in the sector. Banks utilised their excess funds at repo tenders and by buying NBS bills. In the structure of liquidity, the share of repo tenders increased to 95.7%, from 92.1% in the previous month. The share of overnight deposits decreased to 0.8% in May, from 7.9% in April. As a result of auctions announced for NBS bills, their share of sterilisation increased to 3.5%, from 0% in the previous month.

Table 41 Average Daily Impact of NBS Transactions on the Level of Banking Sector Liquidity

	Repo tenders		O/N repos		O/N deposits		NBS bills		Total
	Volume SKK mil.	Share %	Volume SKK mil.	Share %	Volume SKK mil.	Share %	Volume SKK mil.	Share %	
April 2007	-347,333	92.12	150	-0.04	-29,868	7.92	0	0.00	-377,051
May 2007	-365,725	95.70	220	0.06	-3,121	0.82	13,548	3.54	-382,175

Source: NBS.

Table 42 Interbank Transactions

(SKK millions)

	Deposits	Repos	Swaps	FRAs	IRSs
April 2007	560,459	19,992	826,250	8,000	2,435
May 2007	631,552	0	962,008	11,500	12,290

Source: NBS.



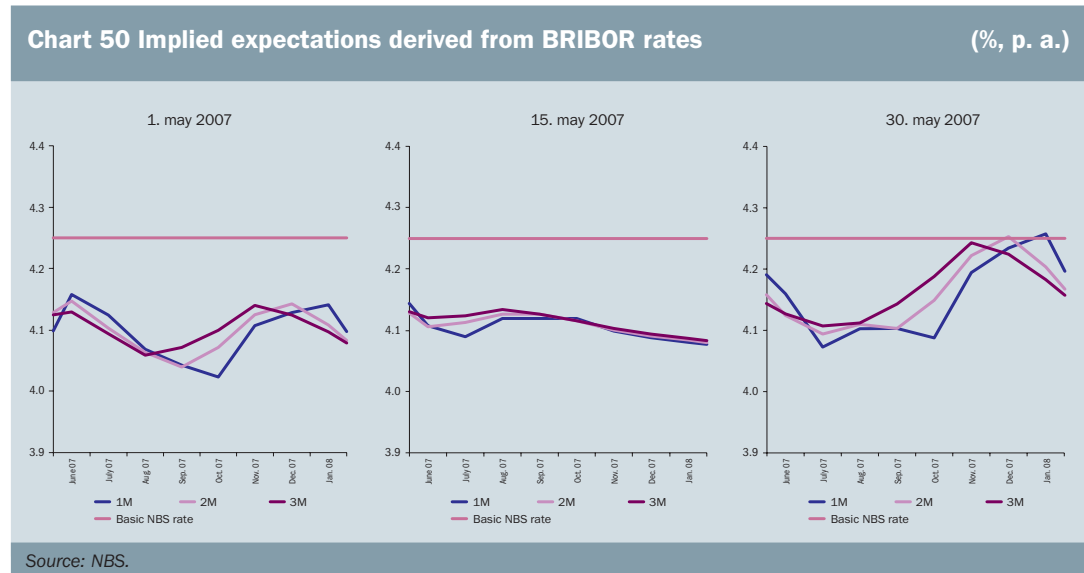
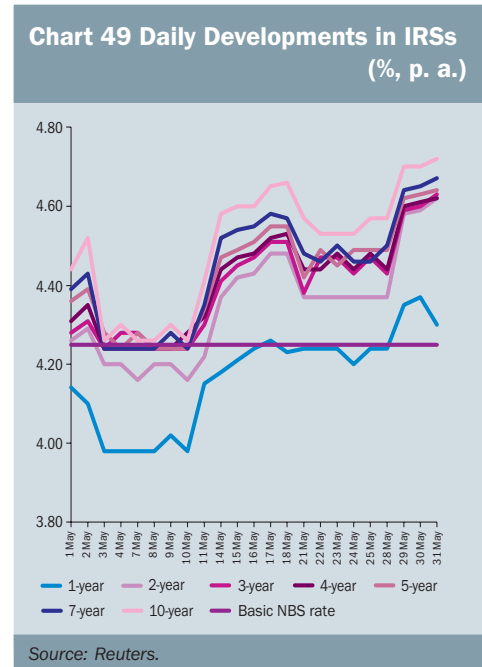
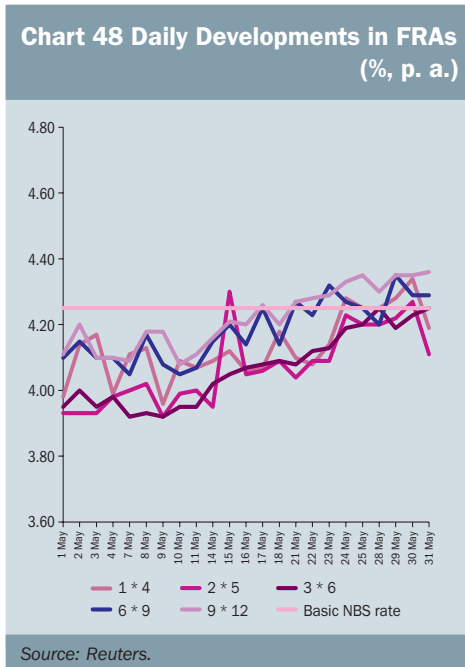
Interbank transactions The volume of interbank market transactions reached SKK 1,617.35 billion in May (compared with SKK 1,417.14 billion in April). Non-resident and resident bank transactions accounted for 70.0% and 30.0% respectively of the total volume of purchases and sales on the interbank market. In interbank transactions, domestic banks achieved the largest share in deposit transactions (64.1%), while non-resident banks led the way in swaps (69.6%).

Reserve requirements For May 2007, the amount of required minimum reserves in the banking sector was set at SKK 23.39 billion. By the end of the month, the reserve requirement had actually been fulfilled to 100.1%.

Developments in Money Market Interest Rate Derivatives

Trading in forward rate agreements (FRA) recorded an upturn in May, compared with the previous month. The trading volume was fully realised in contracts with foreign banks. Transactions were concluded with a maturity of three months and settlement in two, three, six, and nine months. Most transactions took place in three-month FRAs with settlement in six months (43.5%).

Trading in interest rate swaps (IRS) recorded an increase in volume compared with the previous month. Virtually all transactions were conducted with foreign banks (98.4%). They were concluded with nine-month to ten-year maturities, and were dominated by contracts with two- to five year maturities, which



accounted for 51.6% of the total volume of transactions. They were followed by transactions with nine-month to two-year maturities (32.6%).

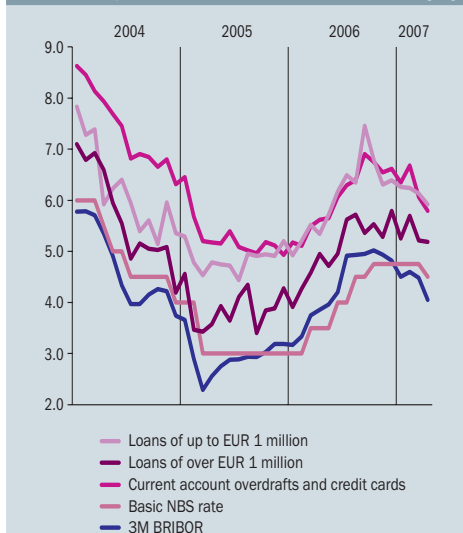
Implied expectations at the beginning of the month indicated a slight fall in interest rates, followed by a rise to 4.05–4.12% until January. In the middle of the month, the expectations changed and the values fluctuated around the level of 4.1% throughout the period. At the end of the month, fixed money market rates expressed implied expectations of a slight fall in interest rates, which were later expected to approach the current reference rate (4.25%) at the end of the year.

5.3 Customer Interest Rates in April 2007

In April, average interest rates on new loans to non-financial corporations and households followed the falling trend from the previous two months. Interest rates on deposits also dropped somewhat in April, for both non-financial corporations and households. Interest rates on loans reflected the pass-through of the cut in the basic NBS rate from the end of March and, in all probability, the expectations of its further reduction. At its meeting at the end of April, the NBS Bank Board again lowered its basic rate by 0.25 of a percentage point, to 4.25% (with effect from 25 April 2007).

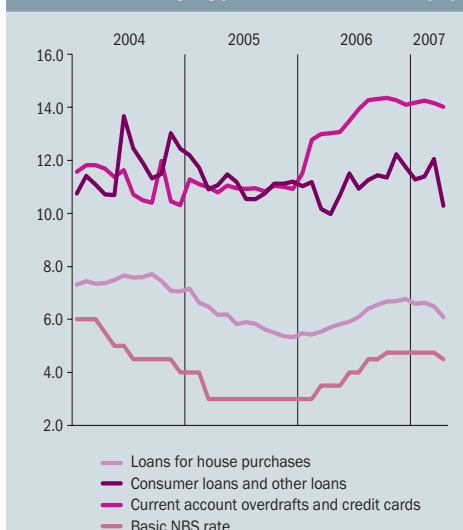
Customer interest rates

Chart 51 Interest Rates on Loans to Non-Financial Corporations, 3-M BRIBOR, and the Basic NBS Rate (%)



Source: NBS.

Chart 52 Interest Rates on Loans to Households by Type (%)



Source: NBS.

Average interest rates on new loans

Interest rates on loans to non-financial corporations fell slightly in April in line with the downward trend from the previous months. This was connected with the cut in the basic NBS interest rate and the developments in interbank market rates. The most significant drops occurred in long-term lending rates with an initial rate fixation (IRF) of over 5 years. Short-term lending rates followed different trends, depending on the size of the loan. Interest rates on short-term loans of up to EUR 1 million were stagnant, while the rates for loans of over EUR 1 million rose somewhat. The sharpest drops occurred in rates for investment loans (0.30 of a percentage point), current account overdrafts (0.27 of a percentage point), and operating loans (0.23 of a percentage point). A slight fall was recorded in the average price of loans of up to EUR 1 million, while the price of loans of over EUR 1 million remained unchanged. The relatively low interest rates stimulated increased demand for loans among non-financial corporations. This led to a marked increase in the volume of loans provided. In the first quarter, loans to non-financial corporations were provided in the average amount of SKK 63 billion. In April, however, such loans were granted in the amount of almost SKK 85 billion. This was mainly due to the large volume of investment loans, other loans, and operating loans, which indicates that such loans were mostly provided for the acquisition of fixed assets. Regarding the structure of non-financial corporations, increased interest in loans was shown by large corporations, as well as small and medium-sized enterprises.

Average interest rates on loans to households fell significantly in April, as a result to developments in the basic NBS rate and market rates. The fall in the average price of loans to households was also affected substantially by a change in the share of individual types of loans by purpose (the increased volume loans provided for house purchases and the subsequent increase in the share of such loans in total credit). The sharpest drops occurred in interest rates on consumer loans, in rates for both specific and non-specific consumer loans. Interest rates on consumer loans were relatively volatile, without any apparent trend, and their values fluctuated around the level of 13%. Lending rates also



dropped considerably for other loans, mainly for 'American mortgages'. Since October 2006, interest rates on other loans have shown a gradually falling tendency. The moderately falling trend in interest levels in the last few months also continued in the case of house purchase loans, which was reflected in their increased volume provided in April. The average monthly volume of loans granted to households for house purchases in the first quarter was SKK 3.6 billion. In April, such loans were provided in the amount of SKK 9.1 billion. Within the scope of house purchase loans, the sharpest drop occurred in rates for other house purchase loans (0.85 of a percentage point), which were therefore more advantageous than mortgage loans. Interest rates on mortgage loans recorded a slight fall. On the other hand, a modest rise was recorded in the price of home savings bank loans.

Table 43 Average Interest Rates on New Loans

	Interest rate in %						Change in April in % points	
	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Mar. 2007	Apr. 2007	against Q2 2006	month-on- month
Loans to non-financial corporations								
Current account overdrafts and credit cards	5.49	6.06	6.90	6.62	6.06	5.79	-0.27	-0.27
Loans of up to EUR 1 million	5.52	6.17	7.45	6.39	6.13	5.92	-0.25	-0.21
– with a floating rate								
and an IRF of up to 1 year	5.47	6.25	7.58	6.33	6.08	6.04	-0.21	-0.04
– with an IRF of over 5 years	5.53	5.75	6.47	6.49	6.00	4.78	-0.97	-1.22
Loans of over EUR 1 million	4.58	4.96	5.36	5.79	5.21	5.19	0.23	-0.02
– with a floating rate								
and an IRF of up to 1 year	4.38	4.87	5.17	5.60	5.04	5.19	0.31	0.15
– with an IRF of over 5 years	5.62	5.62	7.03	5.73	5.82	4.63	-0.99	-1.19
Total	5.40	5.93	6.76	6.37	5.92	5.64	-0.29	-0.28
Total, excluding CA overdrafts and credit cards	4.98	5.38	6.04	5.89	5.47	5.42	0.04	-0.05
Loans to households								
Current account overdrafts and credit cards	13.00	13.48	14.32	14.12	14.16	14.01	0.53	-0.14
Consumer loans	11.91	13.66	13.09	13.65	14.11	12.69	-0.97	-1.42
House purchase loans	5.54	5.92	6.54	6.76	6.50	6.07	0.16	-0.43
of which : mortgage loans	4.91	5.39	6.17	6.43	6.29	6.20	0.82	-0.09
Other loans	6.18	6.49	7.34	7.46	7.19	6.41	-0.08	-0.78
Total	11.24	11.42	12.56	12.58	12.56	11.16	-0.26	-1.40
Total, excluding CA overdrafts and credit cards	7.13	7.71	8.32	8.39	8.66	7.35	-0.36	-1.31
Basic NBS rate	3.50	4.00	4.50	4.75	4.75	4.50	0.50	-0.25
3M BRIBOR	3.75	4.20	4.95	4.82	4.48	4.05	-0.15	-0.43

Source: NBS.

Note: Quarterly data refer to the last month of the quarter.

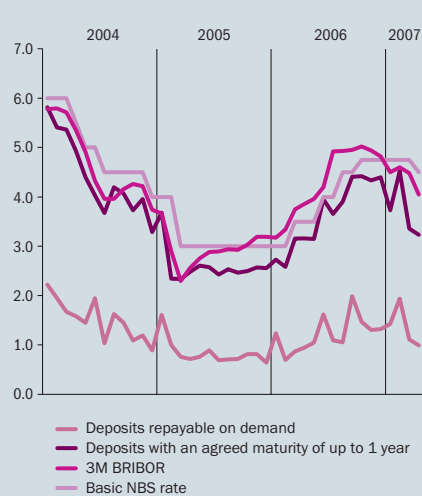
Average interest rates on new deposits

Interest rates on deposits from non-financial corporations dropped slightly in April. The reductions in the basic NBS rate and interbank market rates were, in a smaller degree, also reflected in deposit rates. Short-term deposit rates fell, but on the other hand the rates for long-term deposits increased. Within the scope of short-term deposits, interest rates dropped on deposits redeemable on demand and deposits with an agreed maturity of up to 7 days, 1 month, and 3 months. Deposit rates for longer maturities (deposits with an agreed maturity of over 2 years) increased considerably.

Like deposits rates for non-financial corporations, interest rates on household deposits recorded a slight fall. Deposit rates also dropped for short-term deposits with an agreed maturity of up to 7 days, 1 month, 3 months, and 6 months. Interest rates fell significantly on deposits with an agreed maturity of over 2 years. On the other hand, the prices of deposits with an agreed maturity of over 1 and up to 2 years increased. Interest rates on deposits redeemable at a period of notice of up to 3 months fell slightly. Interest rates on household deposits followed the moderately falling trend from the end of last year.

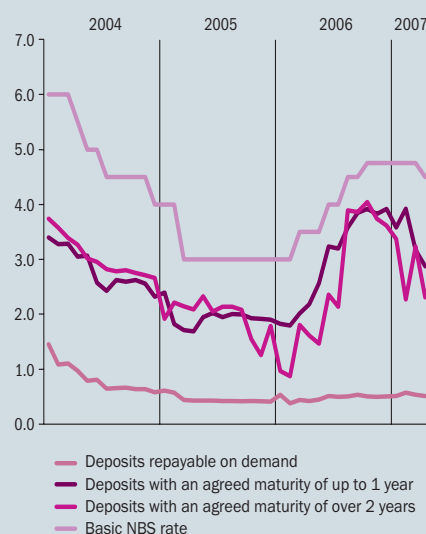


Chart 53 Interest Rates on Deposits from Non-Financial Corporations (%)



Source: NBS.

Chart 54 Interest Rates on Household Deposits (%)



Source: NBS.

Table 44 Average Interest Rates on New Deposits

	Interest rate in %		Interest rate in %				Change in April in % points	
	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Mar. 2007	Apr. 2007	against Q2 2006	month-on-month
New deposits from non-financial corporations								
Deposits repayable on demand	0.87	1.62	1.98	1.32	1.11	0.99	-0.63	-0.12
Deposits with agreed maturity								
– up to 1 year	3.16	3.95	4.41	4.39	3.36	3.23	-0.72	-0.13
– over 1 and up to 2 years	3.87	4.05	2.56	3.28	2.66	-	-	-
– over 2 years	3.83	1.54	8.40	2.62	1.50	3.00	1.45	1.50
Total	1.86	2.51	3.00	2.70	2.17	2.11	-0.40	-0.06
New deposits from households								
Deposits repayable on demand	0.44	0.51	0.54	0.50	0.54	0.51	0.00	-0.03
Deposits with agreed maturity								
– up to 1 year	2.02	3.23	3.85	3.92	3.17	2.87	-0.36	-0.30
– over 1 and up to 2 years	2.29	3.06	3.94	3.98	2.47	3.20	0.14	0.73
– over 2 years	1.81	2.35	3.86	3.61	3.24	2.31	-0.05	-0.93
Deposits redeemable at notice								
– up to 3 months	1.04	1.07	1.46	1.54	1.46	1.36	0.29	-0.10
– over 3 months	1.22	1.30	1.89	1.97	1.98	1.95	0.65	-0.03
Total	0.79	0.96	1.16	1.18	1.07	0.99	0.03	-0.08
Basic NBS rate	3.50	4.00	4.50	4.75	4.75	4.50	1.25	0.00
3M BRIBOR	3.75	4.20	4.95	4.82	4.48	4.05	0.30	-0.43

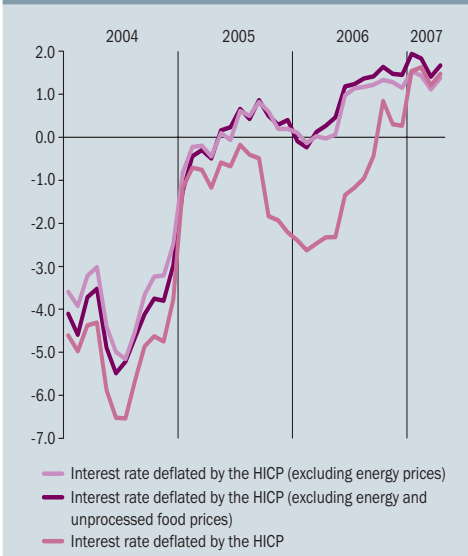
Source: NBS.

Note: Quarterly data refer to the last month of the quarter.



Real interest rates The real interest rate on household deposits, calculated by deflating the rate of interest on new one-year household deposits by HICP inflation, reached a positive figure in April (1.47%), which represented a rise of 0.27 of a percentage point in comparison with the previous month. This was mainly a result of a modest rise in interest rates on one-year deposits and a fall in inflation.

Chart 55 Real Interest Rates on Household Deposits (%)



Source: NBS and the Statistical Office of the SR.

Annexes

1 Capital Market

1.1 Primary Market

In May, the Agency for Debt and Liquidity Management (ARDAL) held two auctions in government bonds (with residual maturities of 6.7 and 4.9 years). At these auctions, government bonds were placed on the primary market in the amount of SKK 8.4 billion, representing 62.1% of the total demand (SKK 13.5 billion). Strong demand was recorded at the first auction in May (SKK 10.3 billion), of which ARDAL accepted SKK 7.2 billion. At the second auction, which took place at the end of the month, the level of demand (reaching only SKK 3.2 billion) was affected by the weakening of the SKK.



On the primary market for non-government bonds, three mortgage bond issues were floated in May, in the amount of SKK 1.1 billion (of which, one issue was in mortgage bonds amounting to SKK 1.0 billion).

1.2 Secondary Market

The total volume traded on the Bratislava Stock Exchange (BCPB) reached SKK 11.0 billion in May (in 697 transactions), representing a month-on-month decline of 79.7%. Price-setting transactions accounted for SKK 0.3 billion and direct transactions SKK 10.7 billion.

Non-resident investors were responsible for 34.0% of the total volume traded in May, of which 28.1% were purchases and 39.9% sales.

Government bond yields followed an upward trend over the course of May, which was most apparent in the second half of the month. The weakening of the domestic currency and the subsequent move of investors to other regions caused a rise in the level of yields along the entire yield curve, by an average of 22 basis points.

Bonds

The BCPB recorded 177 bond transactions totalling SKK 11.0 billion during the month (i.e. 99.8% of the total volume traded on the BCPB floor in May).

The market capitalisation of bonds as at the last trading day of May reached SKK 439.4 billion, representing a month-on-month increase of 1.5%. Compared with the end of April, the capitalisation of quoted bonds recorded the same increase in percentage terms, to SKK 419.8 billion.

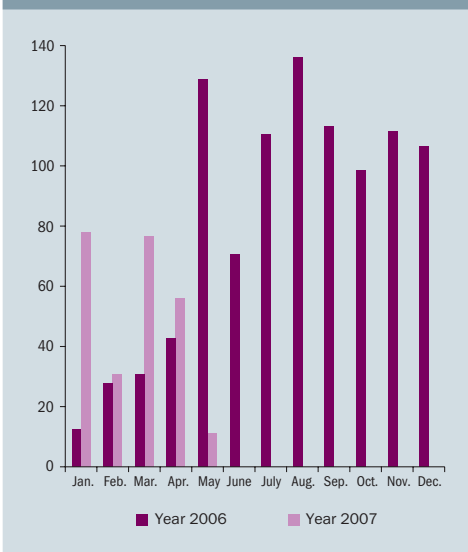


Chart 58 Benchmark Government Bond Yield Curves (%)



Source: Reuters, NBS.

Chart 59 Bond Transactions on the BCPB (Sk billions)



Source: BCPB.

SDXGroup indices

Table 45 Values of SDXGroup Indices at the End of May 2007

Sector	SDXGroup indices		Yield to maturity (in %)	Duration (in years)
	Price	Performance		
Public	102.8	119.3	4.443	5.276
SDXG sub-index (<=5)	101.4	116.9	4.302	3.129
SDXG sub-index (>5)	104.6	122.4	4.502	7.401
Private (corporate + mortgage bonds)	99.1	120.2	4.773	3.257
SDXG sub-index (<=5)	98.4	120.4	5.096	1.291
SDXG sub-index (>5)	103.1	119.9	4.695	5.180

Source: BCPB.

Shares In May, the volume traded in equity securities reached only SKK 24.8 million. There were 520 transactions, in which 21,538 shares changed hands in total. Most shares were traded in price-setting transactions (84.23% of the total volume), the remaining 15.77% took place in direct transactions.

In May, the market capitalisation of equity securities had fallen month-on-month by 4.17%, to SKK 148.5 billion. The actual amount of issues that had a market price at least once in the past, except for investment fund shares and participation certificates, was SKK 141.6 billion (a month-on-month decrease of 4.36%) and accounted for 95.37% of the total equity market capitalisation. The market capitalisation of quoted issues had decreased since the end of April by 1.41%, to SKK 81.9 billion.

In May, the BCPB accepted no new share issues for trading on the quoted market, nor on the regulated open market, and stopped trading on the regulated open market in three share issues in the total amount of SKK 2.6 billion. The number of share issues and participation certificates on the BCPB floor dropped to 241.



Table 46 Weights of Basic SAX Index Components (end-of-month figures)

Company	2006 Dec.	Weights in %					Monthly change May 2007
		2007					
		Jan.	Feb.	Mar.	Apr.	May	
Biotika, a. s.	4.18	4.18	4.47	4.14	5.02	4.65	-0.37
OTP Banka Slovensko, a. s.	24.93	25.04	23.69	26.06	22.95	23.01	0.06
SES Tlmače, a. s.	8.14	8.80	12.51	9.36	10.57	11.02	0.45
Slovnaft, a. s.	32.00	31.40	29.30	30.09	29.88	30.86	0.98
Všeobecná úverová banka, a. s.	30.76	30.58	30.03	30.36	31.59	30.46	-1.13

Source: BCPB.

Chart 60 Developments in the SAX Index, May 2007 (in points)



Source: BCPB.

The SAX index closed the month of May at 394.93 points, representing a rise of 0.19% month-on-month and 1.01% year-on-year. The index reached a monthly maximum on 10 May (404.87 points) and a monthly minimum on 18 May (387.49 points).

SAX index



2 Methodological Notes to Selected Indicators

2.1 Monetary Statistics

2.1.1 Statistics of Monetary Aggregates (ECB Methodology)

The methodology of the ECB is implemented on the basis of data from harmonised statements of monetary and banking statistics, which were introduced by the NBS in 2003. According to ECB methodology, monetary aggregates were calculated in 2003 and 2004 on the basis of a harmonised balance from the 'M (NBS) 1-12 - Statistical Balance' monthly statement, from which the NBS compiles aggregated and consolidated balances for the 'monetary financial institutions' (MFI) sector. In 2003, as in the national methodology, the MFI sector was composed of the National Bank of Slovakia, commercial banks with a registered office in the SR, home savings banks, and the local branches of foreign banks. With effect from January 2004, in accordance with the ECB methodology, the MFI sector was extended to include money market investment funds, which are now required to report to the NBS on a monthly basis (the list of all MFIs monitored by the NBS is regularly updated on the website of the National Bank of Slovakia)⁷.

From the monthly statistical balances of resident MFIs, an aggregated balance sheet is compiled, as a summary of statistical balances of MFIs for assets and liabilities in all currencies. Then, a consolidated balance sheet is compiled from the aggregated balance sheet of MFIs, through the compensation (netting) of positions between the MFIs, as a basis for the calculation of monetary aggregates and the main counterparts of the M3 aggregate. During consolidation, the mutual relations of MFIs are excluded from the aggregated balance sheet as follows:

- liabilities arising from issued debt securities are reduced by debt securities issued by MFIs in the holdings of MFIs;
- deposits and loans received from MFIs are reduced by receivables from MFIs;
- liabilities arising from issued equity securities are reduced by MFI shares and other equities held by MFIs.

Table 47 Calculation of Monetary Aggregates

Methodology of the NBS	Methodology of the ECB <i>(the items are included in the individual sub-aggregates in both Slovak koruna and foreign currency)</i>
CURRENCY OUTSIDE BANKS [M0]	currency in circulation [M0]
+	+
DEMAND DEPOSITS (in SKK)	overnight deposits and received loans
= Money (M1 - 'narrow money')	= M1 ('narrow money')
TIME DEPOSITS (all maturities, in SKK)	+ deposits and received loans with an agreed maturity of up to 2 years
+	+ deposits and received loans redeemable at a period of notice of up to 3 months
FOREIGN CURRENCY DEPOSITS	= M2 ('intermediate money')
= QUASI-MONEY [QM - 'quasi money']	+ repurchase operations
	+ money market fund shares/units
	+ debt securities with a maturity of up to 2 years, and other money market products
= Money supply M2 (=M1+QM)	M3 MONETARY AGGREGATE ('broad money')

The main differences between the individual methodologies are as follows:

- **in the definition of monetary financial institutions:**
 - the ECB methodology uses an extended file of monetary financial institutions (MFIs), which includes the NBS, commercial banks, and money market funds - the deposits of money market

⁷ The actual list of monetary financial institutions (MFIs) and detailed methodological information on harmonised monetary and banking statistics are available on the website of the National Bank of Slovakia (<http://www.nbs.sk>), in the 'Harmonised Monetary and Banking Statistics' section, within the 'Banking Sector in the SR' menu.



- funds (MMFs) in commercial banks are treated in this sense as interbank operations and are not directly included in the monetary aggregates;
- the NBS methodology includes only NBS and commercial bank liabilities in the monetary aggregates - hence the deposits of money market funds (MMFs) in commercial banks appear in the balance sheets of commercial banks as customer deposits of financial institutions and are directly included in the M2 money supply;
- **in the nature and liquidity of the resources:**
 - the ECB methodology monitors liquidity through the broader M3 aggregate, which also includes repo operations, the unit certificates of open-end money market investment funds, and debt securities, which represent, in terms of liquidity and profitability, a substitute for bank deposits (with regard to maturity, ECB liabilities with a maturity of over 2 years are not included in the monetary aggregates);
 - the NBS methodology monitors the money supply measured in terms of the M2 aggregate, which is composed of currency in circulation and bank deposits irrespective of the time of maturity;
 - **in the definitions of deposits and loans:**
 - the ECB methodology extends the definition of deposits to include also subordinated debt in the form of deposits, liabilities arising from repo operations, and non-negotiable securities issued by banks and held by clients (in the case of loans, they also include non-marketable securities issued by clients and held by banks, subordinated debt in the form of loans, receivables in respect of repo operations, and tradable loans);
 - the NBS methodology uses a so-called 'narrow definition' for both loans and deposits, i.e. they only correspond to the amount of funds recorded by MFIs as loans (including classified loans) and deposits;
 - **in the structure of monetary aggregates by sector:**
 - the ECB methodology (with the deposits of MMFs being deducted from customer deposits) covers the above sectors, as well as the deposits of local government (S.1313) and social insurance funds (S.1314)⁸;
 - the NBS methodology includes deposits in the M2 money supply from the following economic sectors:
 - non-financial corporations (S.11);
 - financial corporations (S.123 and S.124) – including MMF deposits;
 - insurance companies and pension funds (S.125);
 - non-profit institutions mainly serving households (S.15);
 - households (S.14 – sole traders);
 - households (S.14 – accounts of citizens).
 - **in respect of the residence of economic entities:**
 - the ECB methodology exclusively takes into account the funds of residents (in Slovak koruna as well as foreign currency);
 - the NBS methodology also monitors the koruna deposits of non-residents as part of the monetary aggregates;
 - **in respect of accrued assets and liabilities:**
 - in the ECB methodology, accrued assets and liabilities are excluded from the monetary aggregates;
 - in the NBS methodology, accrued assets and liabilities are included in the deposit and loan accounts of clients;
 - **in respect of the seasonal adjustment of time series:**
 - unlike the ECB methodology, the NBS methodology uses seasonally unadjusted data⁹.

2.1.2 Statistics of Monetary Aggregates (NBS methodology – Monetary Survey)

In 2005, the National Bank of Slovakia completed the harmonisation process in developing a methodology for monitoring and recording monetary aggregates according to the methodology of the European Central Bank (ECB). Over a temporary period in 2005, the NBS used both the national

⁸ In the methodology of the NBS, the M2 money supply excludes public sector deposits, which are monitored separately as part of net credit to the general government.

⁹ In the conditions of the NBS, the recording of seasonally adjusted data according to ECB methodology is currently in the stage of preparation.



methodology and that of the ECB in evaluating the development of monetary aggregates, while placing greater emphasis on ECB methodology in relation to the M3 aggregate and its counterparts.

As from February, i.e. the expiration of the one-year temporary period, the NBS publishes reports on monetary aggregates exclusively according to the ECB methodology.

2.1.3 Statistics of Customer Interest Rates on New Contracts (ECB Methodology)

As of the beginning of 2005, customer interest rates are evaluated according to ECB methodology, where interest rates are monitored on loans granted¹⁰ and deposits received (new contracts). According to this methodology, the subjects of monitoring are interest rates on new business volumes. New loans and new deposits are understood to be contracts signed for the first time, fixing the rate of interest agreed between the bank and the customer, and new contracts negotiated with the active participation of the customer.

In a breakdown by sector, lending and deposit rates for households and non-financial corporations are assessed in the way these sectors are defined in Directive No. 63/2002¹¹ of the European Central Bank, concerning interest rate statistics.

The monitoring of interest rates on loans to and deposits from households and non-financial corporations is expected to provide more detailed information on the functioning of the transmission mechanism, since interest rates are analysed irrespective of the sectors that have a special position vis-à-vis the banking sector, i.e. insurance companies, pension funds, and the general government sector.

The methodology of the ECB makes it possible to monitor interest rates according to the period of initial rate fixation (IRF) and, in the case of non-financial corporations, according to the volume of loans as well. The initial rate fixation is the period for which an agreed interest rate is fixed. According to IRF, loans are divided into loans with a floating rate and an IRF of up to 1 year (inclusive), loans with an IRF of over 1 and up to 5 years (inclusive), loans with an IRF of over 5 and up to 10 years (inclusive), and loans with an IRF of more than 10 years. According to volume, loans to non-financial corporations are divided into loans amounting to up to EUR 1 million and loans amounting to over EUR 1 million.

Loans to households are classified by purpose as follows:

- current account overdrafts
- operation loans (for sole traders only)
- investment loans
- consumer loans
- real estate loans
 - mortgage loans
 - building loans
 - intermediate loans
 - other real estate loans
- other loans.

Loans to non-financial corporations are classified by purpose as follows:

- current account overdrafts
- investment loans
- operating loans
- loans for house purchase
 - mortgage loans
 - building loans
 - intermediate loans
 - other loans for house purchase
- other loans.

¹⁰ The term 'granted loans' is an equivalent of the term 'new loan'.

¹¹ According to Article 1 paragraph 2 of Decree No. 63/2002 of the European Central Bank of 20 December 2001, concerning the statistics of interest rates of monetary financial institutions on loans to and deposits from households and non-financial corporations, the term 'households' as defined in Annex A to Directive No. 2223/96 of the European Communities of 25 June 1996 on the European System of National and Regional Accounts (ESA95) means the household sector S.14 (i.e. households and sole traders) and non-profit institutions serving households S.15, and the term 'non-financial corporations' means sector S.11.



Classification of deposits (for both households and non-financial corporations):

- deposits repayable on demand
 - demand deposits
 - overnight deposits
- deposits with agreed maturity
 - up to 1 year
 - up to 7 days
 - up to 1 month
 - up to 3 months
 - up to 6 months
 - up to 1 year
 - more than 1 year
 - up to 2 years
 - over 2 years
- deposits
 - redeemable at a period of notice of up to 3 months
 - redeemable at a period of notice of over 3 months.

Interest rates on loans and deposits are calculated as a weighted arithmetical average of all interest rates on loans/deposits for each category separately. The weight of new loans represents the total amount laid down in contracts, regardless of whether the given amount is drawn within the month under review or not.

Subsidies granted to clients by third parties are not taken into account in determining the level of interest rates, because banks neither pay nor receive subsidies. For example, interest rates on mortgage loans with government bonuses are recorded without the state subsidies.

2.1.4 Classification of Loans According to Quality

Year 2005¹²

For statistical purposes, loans were classified into the following categories:

- a) standard loans;
- b) standard loans with qualification;
- c) non-standard loans;
- d) doubtful loans;
- e) loss-making loans;
- f) unclassified loans
 1. up to 30 days overdue,
 2. 31 to 90 days overdue,
 3. 91 to 180 days overdue,
 4. 181 to 360 days overdue,
 5. more than 360 days overdue.

According to NBS Decree No. 13/2004 of 26 November 2004 on the classification of assets and liabilities of banks and branches of foreign banks, adjustment of their valuation, formation and dissolution of reserves, and related reporting (hereinafter referred to as 'NBS Decree'), claims were classified as follows:

Standard claims – defined as claims where:

- repayment is up to 30 days overdue, the debtor meets his other commitments pursuant to the contract, and an analysis of the debtor's economic situation indicates that the claim will be repaid in full and on time;

Standard claims with qualification – defined as claims where:

- repayment is more than 30, but not more than 90 days overdue;
- the debtor fails to meet another commitment arising from the contract, for example he fails to provide information as required under the contract, or based on an analysis of the debtor's economic situation a loss is expected for the bank as a result of overdue repayment;
- provisions are created in the amount of at least 1%, but less than 20%, of the unsecured value of a standard claim with qualification.

¹² Until 2004, claims had been classified as standard loans, standard loans with qualification, non-standard loans, doubtful loans, and loss-making loans.



Non-standard claims – defined as claims where:

- repayment is more than 90, but not more than 180 days overdue;
- the debtor is in liquidation;
- the claim arises from the realisation of a guarantee provided for the debtor, or based on an analysis of the debtor's economic situation it is assumed that the claim will in large part be repaid;
- provisions are created in the amount of at least 20%, but less than 50%, of the unsecured value of the non-standard claim concerned.

Doubtful claims – defined as claims where:

- repayment is more than 180, but not more than 360 days overdue;
- the debtor is undergoing composition proceedings;
- a bankruptcy petition is filed and a temporary conservator is appointed for the debtor's property, or based on an analysis of the debtor's economic situation it is assumed that only a smaller part of the claim will be repaid;
- provisions are created in the amount of at least 50%, but less than 95%, of the unsecured value of the doubtful claim.

Loss-making claims – defined as claims where:

- repayment is more than 360 days overdue;
- a bankruptcy petition for the debtor's property is rejected for lack of assets;
- bankruptcy is declared for the debtor's property;
- bankruptcy proceedings for the debtor's property are terminated, since there are not enough assets to cover the costs of bankruptcy proceedings;
- this is a claim against a person with a special relationship to the bank, or a person having control over the bank, and repayment of the claim is more than 90 days overdue, or an analysis of the debtor's economic situation indicates that the claim will not be repaid, even in part;
- provisions are created for 100% of the unsecured value of the loss-making claim concerned.

Unclassified loans were defined as loans in the portfolio of claims created according to Article 8 of the NBS Decree.

Year 2006

With effect from January 2006, a new NBS decree is in force: Decree No. 7/2005 of 6 December 2005, amending NBS Decree No. 13/2004 on the classification of assets and liabilities of banks and branches of foreign banks, adjustment of their valuation, formation and dissolution of reserves, and related reporting. The new decree has substantially modified the classification of loans according to quality.

On the basis of changes in accounting practices for banks according to international accounting standards, the method of valuation of financial assets has been modified, while the amendment to NBS Decree No. 13/2004 has changed the regulation function to verification function (for the valuation of selected types of assets) with effect from 1 January 2006.

Selected financial assets are classified for the purposes of banking supervision as follows:

Claims valued **on an individual basis** vis-à-vis corporate entities:

- claims with no identifiable depreciation;
- claims with reduced value:
 - depreciated by not more than 20%;
 - depreciated by more than 20%, but no more than 50%;
 - depreciated by more than 50%, but no more than 95%;
 - depreciated by more than 95%;
- failed claims.

Claims valued **on a portfolio basis** vis-à-vis corporate entities:

- significant and
- insignificant.

For statistical purposes, the individual claims are categorised as follows:

Category I covers property valued *on an individual basis with no identifiable depreciation*.



Category II covers property valued *on a portfolio basis (with no identifiable depreciation on an individual basis)*.

Category III covers property valued *on an individual basis with identifiable depreciation*.

Failed claims are defined as assets where a more than 50% drop in value is identified by the bank or where repayment by the debtor is more than 90 days overdue.

For interest rate statistics according to the harmonised methodology, loans are reported to the ECB without the 'failed claims' category, where the so-called 'bad loans' are included.

2.2 Basic Macroeconomic Indicators

2.2.1 Gross Domestic Product (GDP)

Gross production (gross output) – expresses the value of the goods and services resulting from the production activity of resident producer units in the territory of the Slovak Republic during an accounting period. According to the methodology of the European System of Accounts (ESA 95), production can be divided into market production, production for own final consumption, and other non-market production.

Intermediate consumption – consists of the value of the goods and services consumed as inputs or transformed by a production process during a given accounting period.

Value added – is the value of gross production, less the value of intermediate consumption. The sum of value added in the individual economic sectors (produced by a market activity, an activity for own consumption, a non-market activity) and indirect taxes, less subsidies on products, represents **gross domestic product**.

Gross domestic product (GDP) at market prices – is the final result of the production activity of resident producer units in the period under review. In geographical terms, GDP data cover the entire territory of the Slovak Republic. Statistical methods used for GDP calculation are in principle based on the respondent's accounting records, from the period in which the activity took place (accrual principle). The hidden (illegal) economy is assessed on the basis of estimates. Gross domestic product at market prices can be defined in three ways – on the basis of production (output), consumption (expenditure), and income.

Production (output) approach – Output-based GDP (referred to as produced GDP) is the sum of value added produced in agriculture, industry, construction, services, and taxes (excised duties, VAT, net taxes on imports), less subsidies on products.

Consumption (expenditure) approach – Expenditure-based GDP (referred to as used GDP) is the sum of the final consumption of households, final consumption of non-profit institutions serving households, final consumption of general government, gross fixed capital formation, changes in inventories, and the balance of exports and imports of goods and services. The differences arising during the calculation of GDP according to the output- and expenditure-based methods, are recorded under the item 'statistical discrepancy'.

Income approach – an experimental method used by the Statistical Office of the SR for the calculation of GDP according to the income-based method, which takes into account the flows of individual incomes in the economy, i.e. the compensation of employees, gross operating surplus, mixed income, net taxes on production and imports. On the basis of this method, GDP is calculated only once a year, at current prices.

Final consumption of households – consists of expenditure incurred by households on food, beverages, tobacco, clothing, footwear, services related to housing, furnishings, household equipment, maintenance of dwellings, health services, transport, post and telecommunications, recreation, education, hotels and restaurants, and other goods. Household final consumption also includes housing services for the owners of dwellings, including lost profits (imputed rent), long-term consumables which are not classified as gross fixed capital formation, and agricultural production for own final consumption, and income in kind.

Final consumption of non-profit institutions – includes the value of goods and services produced by non-profit institutions and the expenditure of non-profit institutions for purchases of goods and services from market producers, which are supplied directly to households for consumption as social transfers in kind.



Final consumption of general government – includes the value of goods and services produced by general government (except for own-account capital formation) and purchases by general government of goods and services produced by market producers, which are consumed by households (social transfers in kind).

Gross fixed capital formation – consists of resident producers' acquisitions, less disposals, of fixed assets during a given period. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of production for more than a year, and whose acquisition value was Sk 30,000.- or more for long-term tangible assets and Sk 50,000.- or more for intangible assets. Additions to the value of certain non-produced assets (e.g. land reclamation), and expenses incurred in connection with the transfer of property, are also taken into account.

Changes in inventories – are measured by the value of the entries into inventories, less the value of withdrawals and the value of any recurrent losses of goods held in inventories. Inventories include the stocks of materials, work-in-progress, finished products, and stocks of articles of commerce.

Exports of goods and services – include all transactions in goods and services (sale, barter, trade gifts, or grants) directed to non-residents. **Imports of goods and services** – include transactions in goods and services (purchase, barter, trade, gifts, and grants) directed from non-residents.

Flash estimate of GDP and employment – the Statistical Office of the SR publishes a flash (first) estimate of selected economic indicators within 45 days of the end of a given quarter. The publication contains the estimated rate of economic growth and the estimated level of overall employment according to the ESA 95 methodology. The released estimate represents a compromise between the economic projections of the Statistical Office of the SR (based on preliminary, partial information from statistical reports and own estimates) and the macroeconomic forecasts of other participating institutions, including the NBS.

2.2.2 Wage Statistics

Average nominal wage – gross wage, not reduced by any wage deductions prescribed by law or agreed with the employer, including an estimate for the employees of sole traders (without entrepreneurial incomes). Dividends from profits and remuneration for stand-by duty are not taken into account.

Average real wage index – the ratio of the nominal wage index to the consumer price index.

Compensation of employees (remuneration) – is defined as the total remuneration, in cash or in kind, payable by an employer to an employee in return for work done by the latter during the accounting period, including social contributions payable by employers. The compensation of employees is composed of wages and salaries, and employers' social contributions.

Unit labour costs (according to ECB methodology) – ULC indicator: is a composite expression of the cost pressures in a given economy stemming from the labour force and is regarded as one of the main indicators of economic competitiveness. This indicator provides information about the amount of 'obligatory' expenses on an employee per unit of output. It shows the relationship between the amount of funds spent on an employee and the output of his work.

- **in nominal terms** – the ratio of total expenditure on an employee in nominal terms to real labour productivity (this method of ULC calculation is used by most foreign institutions – ECB, EC, OECD). Unit labour costs calculated according to this methodology demonstrate price developments in the area of wages. Since nominal labour costs are compared with real GDP, it is possible in the long term to compare the developments in current labour costs in the individual years in relation to the unit of real output.

- **in real terms** – the ratio of total expenditure on an employee in real terms to real labour productivity. Real ULC indicate whether price pressures has a tendency to strengthen or weaken. Growth in real ULC, with employee compensation growing more rapidly than labour productivity, may be an indication of rising inflation as a result of demand pressures.

ULC expressed according to NBS methodology – the ratio of the average nominal wage to labour productivity, calculated from employment according to statistical reports.

2.2.3 Employment and Unemployment Statistics

Employment

– **according to statistical reports, i.e. statements submitted by employers** (monthly, quarterly) – containing the average number of registered employees, both permanent and temporary employees, who have an employment, service, or membership relationship with the organisation, regardless of whether they are or not present at work (e.g. due to illness, annual leave, military exercise, etc.), as well as not working employees (e.g. due to strike, exclusion, protest). Persons working part-time are also included in this statement. Persons on maternity leave, persons doing military or community service, apprentices, and students in vocational practice are not included.

– **according to a labour force survey (LFS), i.e. an inquiry directed to a sample of households (quarterly) according to the methodology of the International Labour Office (ILO)** – a statement of the number of workers, including all persons doing at least one hour of any paid work or work aimed at making a profit in the week under review. The workers include employees, entrepreneurs (with and without employees), unpaid family workers helping in family enterprises, as well as persons absent from work in the week under review due to illness, leave, maternity leave, military service, strike, exclusion, bad weather conditions, etc. The ‘entrepreneurs’ category includes, according to the LFS methodology, the owners of enterprises, sole traders, independent farmers, and persons in freelance professions (as main employment).

– **according to the ESA 95 methodology** – employment is expressed in terms of the number of persons (employed and self-employed) engaged in a production activity defined as production under the national system of accounts. In compiling the indicators of labour accounts, the method of balancing is applied, i.e. the supply of labour is balanced against demand. The harmonised data obtained from corporate sources are compared with data obtained from a labour force survey of households, according to the definitions laid down by the ILO and ESNA 95.

Employment rate – persons in employment as a percentage of the population aged 15 years and over.

Rate of economic activity – the economically active population (working and unemployed persons) as a percentage of the population aged 15 years and over.

Unemployment

Unemployed persons -- **according to a labour force survey (LFS)** – all persons who are without employment in the reference week, who have actively sought employment over the previous four weeks, and who are available for work within two weeks. Such persons may be, but are not necessarily, registered with an office for work, social matters, and the family. With effect from 2002, the duration of unemployment is defined by Eurostat as the duration of search for a job, or the length of the period since the last job was held (if this period is shorter than the duration of search for a job).

Unemployment rate according to a labour force survey (LFS) – the number of unemployed persons as a percentage of the economically active population.

Registered unemployment rate -- in agreement with the International Labour Organisation, registered unemployment rate is calculated from the number of disposable job applicants who can start working immediately after receiving an adequate job offer and from the number of economically active persons in the previous year according to a labour force survey.

2.2.4 Household Income and Expenditure Statistics

Current household income

Compensation of employees – gross wages and salaries, plus employers’ compulsory social contributions.

Gross mixed income – profit and income from business activity, supply of agricultural products from own production, and imputed rent.

Property income – interest, dividends, income from land lease, and other.



Social benefits – retirement benefits, sickness benefits, state social benefits, unemployment benefits (to the registered unemployed)

Other current transfers – insurance payments from various types of insurance, private transfers from abroad, lottery winnings, court and out-of-court rehabilitation, scholarships, and contributions to school meals.

Current household expenditure

Property income – interest paid on loans provided and other payments of this type. Current tax on income, property, etc.

Social contributions – direct taxes and fees paid to the state budget and the budgets of municipalities; social contributions paid to health insurance companies, social insurance schemes, and to the employment fund; private transfers abroad; various contributions to non-profit organisations; lotteries, penalties, and charges.

Other current transfers – payments for non-life, life, and health insurance outside the social protection systems, contributions to funds, etc.

Gross disposable household income – difference between the current income and current expenditure of households.

Adjustment for changes in the net assets of households in the reserves of pension funds – changes in the net assets of households in pension funds (differences between increases and decreases in pension funds).

Gross household savings (difference between the gross disposable income and final consumption of households) – include the koruna deposits of citizens and small entrepreneurs, and their activities related to the purchase of tangible and intangible investments.

Ratio of gross household savings – expresses the ratio of gross household savings to the gross disposable income of households.

2.2.5 Financial Statistics

Corporation – a uniform term covering the various organisational forms of financial and non-financial entities (joint stock companies, limited liability companies, cooperatives, state enterprises, natural persons, etc.).

Non-financial corporations – entrepreneurial entities registered in the commercial register and engaged in activities aimed at earning a profit in any branch of activity, except banking and insurance. The category also includes subsidised organisations, which finance more than 50% of their expenses from receipts. Households, sole traders, freelance professionals, and farmers are not included.

Financial corporations – entities principally engaged in financial intermediation or in auxiliary financial activities. The financial corporations sector includes the National Bank of Slovakia, commercial banks, entities engaged in financial leasing, exchange offices, asset management companies, commercial insurance companies, and investment funds.

National Bank of Slovakia (Národná banka Slovenska) – in accordance with the 'Statistical Classification of Economic Activities', the NBS is included in sector 65 'Financial Intermediation, Except Insurance and Pension Funding'.

3 Tables

Selected Indicators of Economic and Monetary Development in the SR

	Unit	2006								2007				
		5	6	7	8	9	10	11	12	1	2	3	4	5
REAL ECONOMY														
Gross domestic product ^{1) 2)}	SKK billions	-	605.388 ^(p)	-	-	940.440 ^(p)	-	-	1,275.254 ^(p)	-	-	314.724 ^(p)	-	-
Year-on-year change in GDP ³⁾	%	-	6.7 ^(p)	-	-	7.8 ^(p)	-	-	8.3 ^(p)	-	-	9.0 ^(p)	-	-
Unemployment rate ^{4) 9)}	%	10.6	10.4	10.2	9.9	9.8	9.3	9.1	9.4	9.5	9.2	8.9	8.5	-
Consumer prices (HICP) ^{3) 8)}	%	4.8	4.5	5.0	5.0	4.5	3.1	3.7	3.7	2.2	2.0	2.1	2.0	1.5
Consumer prices (CPI) ³⁾	%	4.8	4.6	5.0	5.1	4.6	3.7	4.3	4.2	3.0	2.7	2.7	2.7	2.3
BALANCE OF TRADE ^{2) 7) (p)}														
Exports (fob)	SKK millions	460,795	569,719	670,878	776,894	892,061	1,019,193	1,140,390	1,239,359	109,967	217,394	337,686	449,255	-
Imports (fob)	SKK millions	500,976	614,718	718,573	830,426	955,690	1,088,580	1,219,711	1,330,986	104,935	215,588	339,425	452,160	-
Balance	SKK millions	-40,181	-44,999	-47,695	-53,532	-63,630	-69,387	-79,320	-91,627	5,032	1,992	-1,739	-2,905	-
BALANCE OF PAYMENTS ²⁾														
Current account ⁹⁾	SKK millions	-54,664.3	-63,202.5	-85,828.1	-88,365.9	-105,618.4	-113,868.7	-122,166.6	-135,597.0	8,452.7	6,356.6	-3,587.3	-	-
Capital and financial account	SKK millions	51,286.1	63,846.2	-29,921.4	-13,778.1	-10,303.7	-1,263.2	7,660.7	32,400.7	3,114.1	-8,469.4	56,425.6	-	-
Overall balance	SKK millions	24,882.5	7,670.5	-84,844.0	-82,462.8	-80,296.1	-81,998.3	-80,591.6	-78,095.9	20,494.8	16,710.9	76,763.8	-	-
FOREIGN EXCHANGE RESERVES ⁴⁾														
Total foreign exchange reserves	USD millions	18,938.2	17,904.7	16,499.7	16,349.2	15,876.2	15,567.4	15,479.5	15,512.9	15,851.6	15,982.6	18,365.4	20,165.6	19,687.20
NBS foreign exchange reserves	USD millions	17,334.6	16,128.9	13,140.0	13,243.1	13,234.2	13,145.5	13,371.1	13,363.8	14,004.6	14,080.5	16,605.2	17,739.3	17,657.50
GROSS EXTERNAL DEBT ⁴⁾														
Total gross external debt	USD billions	31.0	31.5	28.3	29.8	29.3	30.5	31.5	32.2	31.3	32.2	35.2	-	-
External debt per capita	USD	5,768	5,856	5,255	5,536	5,453	5,662	5,860	5,987	5,815	5,981	6,549	-	-
MONETARY INDICATORS														
Exchange rate ⁵⁾	SKK/USD	29.461	30.054	30.286	29.426	29.448	29.225	27.915	26.504	26.694	26.434	25.583	24.788	24.954
M3 monetary aggregate ^{4) 8)}	SKK billions	851.2	861.2	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0	980.8	989.6	-
Year-on-year change in M3 ³⁾	%	10.5	11.2	11.8	13.6	12.9	13.9	16.1	15.3	16.5	16.8	16.7	16.4	-
Claims of monetary financial institutions ⁸⁾	SKK billions	822.2	833.1	829.2	843.2	850.3	878.9	885.6	895.7	887.5	889.9	900.2	910.8	-
STATE BUDGET ^{2) 4)}														
Revenue	SKK billions	112.1	138.0	166.5	188.9	212.2	240.6	262.1	291.9	27.1	46.0	70.2	107.4	121.5
Expenditure	SKK billions	123.8	148.3	171.7	194.6	217.3	241.7	269.1	323.6	24.2	54.5	82.1	108.9	134.5
Balance	SKK billions	-11.7	-10.3	-5.2	-5.7	-5.1	-1.1	-7.0	-31.7	2.9	-8.5	-11.9	1.5	11.5
MONEY MARKET														
Interest rates set by the NBS Bank Board														
Date of validity ⁶⁾														
Overnight operations		31/05/2006	31/05/2006	26/07/2006	26/07/2006	27/09/2006	27/09/2006	27/09/2006	27/09/2006	27/09/2006	27/09/2006	28/03/2007	25/04/2007	25/04/2007
- sterilisation	%	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.25	3.25	2.50	2.25	2.25
- refinancing	%	5.00	5.00	6.00	6.00	6.25	6.25	6.25	6.25	6.25	6.25	6.00	5.75	5.75
Limit rate for 2-week repo tenders	%	4.00	4.00	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.50	4.25	4.25
Basic interest rate of the NBS (until 31/12/02: discount rate)	%	4.00	4.00	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.50	4.25	4.25
Average interbank deposit rate (BRIBOR)														
overnight	%	3.00	4.51	3.83	4.11	4.85	4.59	4.02	5.03	3.63	5.61	3.80	2.99	3.61
7-day	%	3.39	4.17	4.11	4.49	4.68	4.79	4.67	4.82	4.11	4.93	4.11	3.47	4.11
14-day	%	3.49	4.11	4.22	4.54	4.66	4.84	4.77	4.81	4.24	4.82	4.25	3.64	4.18
1-month	%	3.69	4.11	4.50	4.63	4.72	4.93	4.86	4.83	4.44	4.75	4.40	3.88	4.20
2-month	%	3.85	4.14	4.75	4.77	4.88	4.99	4.92	4.84	4.50	4.67	4.52	3.98	4.17
3-month	%	3.96	4.20	4.92	4.93	4.95	5.02	4.94	4.82	4.50	4.60	4.48	4.05	4.16
6-month	%	4.19	4.45	5.18	5.22	5.19	5.06	4.96	4.80	4.47	4.49	4.44	4.10	4.16
9-month	%	4.38	4.62	5.35	5.34	5.28	5.09	4.96	4.78	4.42	4.40	4.41	4.13	4.18
12-month	%	4.49	4.71	5.47	5.43	5.36	5.11	4.94	4.76	4.41	4.36	4.39	4.16	4.20

(p) Preliminary data.

1) Constant 2000 prices.

2) Cumulative since the beginning of the year.

3) Change compared with the same period a year earlier.

4) End-of-period figures.

5) Exchange rate (mid), average for the period.

6) The date from which the given interest rate is effective pursuant to the Bank Board's decision.

7) As from May 2004, foreign trade and current account figures are revised on a monthly basis.

8) According to the methodology of the ECB.

9) Registered unemployment.

Source: Statistical Office of the SR, Ministry of Finance, NBS.



Summary of Assets and Liabilities in the Consolidated Balance Sheet of MFIs

	Share of the total (in %) ¹⁾	Volume (SKK billions)												
		2006										2007		
		4	5	6	7	8	9	10	11	12	1	2	3	4
Claims of MFIs on residents	43.8	561.7	578.1	592.4	589.1	598.3	602.6	631.1	636.7	646.4	653.5	658.1	667.7	674.6
General government	1.6	23.8	23.7	23.0	23.0	23.0	17.2	17.8	17.7	18.8	18.6	21.4	23.4	24.3
Private sector	42.2	538.0	554.4	569.4	566.1	575.3	585.3	613.3	618.9	627.6	635.0	636.7	644.3	650.3
Non-financial corporations	21.9	284.2	292.2	299.3	291.2	295.7	300.9	323.5	324.0	326.5	331.1	331.6	333.2	337.6
- up to 1 year	9.2	119.0	127.6	133.8	126.6	127.0	130.2	137.1	136.3	135.0	136.2	140.3	144.3	142.3
- 1 to 5 years	4.4	55.1	58.6	56.7	54.5	56.2	56.0	64.0	65.0	64.0	65.0	65.7	64.2	68.5
- over 5 years	8.2	110.1	106.0	108.8	110.1	112.5	114.7	122.5	122.7	127.4	129.9	125.6	124.7	126.8
Financial corporations	3.9	57.3	59.7	61.3	61.2	60.8	60.5	60.6	61.4	63.0	62.9	60.8	61.6	59.6
Insurance corporations and pension funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Households and non-profit institutions serving households	16.4	196.2	202.3	208.5	213.5	218.6	223.6	228.8	233.3	237.9	240.7	243.9	249.2	252.8
- consumer loans	2.4	31.4	31.9	32.6	33.0	33.5	34.3	35.1	35.7	36.0	36.3	36.7	37.5	36.7
- housing loans	10.9	128.4	131.9	136.1	139.4	142.9	145.9	149.2	152.2	156.7	159.6	161.7	164.8	168.4
- other loans	3.1	36.5	38.4	39.8	41.2	42.2	43.4	44.5	45.4	45.2	44.8	45.5	46.9	47.7
Securities other than shares and participation certificates issued by residents	14.9	232.5	238.3	234.9	234.4	239.4	242.1	242.3	243.3	243.8	228.1	225.6	226.3	230.0
General government	14.5	223.8	229.6	225.9	225.5	230.5	233.6	233.8	234.9	236.0	220.7	218.2	218.9	222.7
Private sector	0.5	8.7	8.8	9.0	8.9	8.8	8.5	8.4	8.4	7.8	7.5	7.4	7.4	7.3
Shares and other equities issued by private sector	0.4	5.8	5.7	5.7	5.6	5.6	5.6	5.6	5.6	5.6	5.9	6.2	6.2	6.2
Foreign assets	35.2	597.7	608.6	607.8	524.1	529.9	512.9	492.4	460.4	452.4	478.4	468.2	508.8	542.3
Fixed assets	2.1	33.2	33.1	33.0	33.1	32.9	32.7	32.7	32.6	34.2	33.3	33.0	33.1	32.8
Other assets	3.5	38.9	40.7	46.3	43.0	44.3	42.7	48.7	55.7	57.2	50.5	51.1	53.6	54.5
Deposits and loans received from the central government	2.8	104.5	107.6	106.0	99.6	95.5	84.8	88.8	83.7	45.0	20.8	15.5	17.6	43.6
Long-term financial liabilities	10.2	182.1	183.0	192.9	194.2	191.2	190.3	182.3	172.5	169.6	174.2	167.4	156.3	157.8
Deposits and loans received with an agreed maturity of over 2 years	4.4	60.4	60.5	61.0	61.9	62.1	62.4	62.6	62.9	66.7	67.4	69.1	68.7	68.1
Deposits redeemable at a period of notice of over 3 months	1.5	26.6	26.4	26.1	25.8	25.3	25.0	24.7	24.4	24.3	24.0	23.8	23.6	23.7
Debt securities issued with a maturity of over 2 years	2.2	21.7	21.9	24.9	25.1	25.5	25.9	27.6	28.8	31.6	31.7	30.9	32.0	33.8
Capital, reserves, and provisions	2.1	73.4	74.3	80.9	81.4	78.3	77.0	67.3	56.3	47.0	51.1	43.7	32.1	32.3
Foreign liabilities	17.6	279.3	306.3	305.2	212.4	219.5	216.5	208.3	182.0	196.3	225.5	208.4	258.1	270.4
Other liabilities	5.2	53.8	56.6	54.9	51.3	52.0	52.8	64.7	69.5	71.8	68.3	77.2	83.5	80.8
Surplus of liabilities among MFIs	-0.1	-0.2	-0.1	-0.1	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5	-2.0
M3	64.3	850.2	851.2	861.2	871.8	892.4	894.3	911.7	926.7	958.5	961.1	974.0	980.8	989.6
Total	100.0	1,469.8	1,504.6	1,520.2	1,429.3	1,450.4	1,438.6	1,452.7	1,434.2	1,439.6	1,449.7	1,442.3	1,495.7	1,540.2

1) In the current month.



Average Interest Rates on New Loans

(ECB methodology)

	2006									2007			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Loans in total¹⁾	7.11	6.99	7.40	7.71	8.05	8.21	8.16	7.85	7.73	7.94	7.92	7.50	6.91
Current account overdrafts	7.12	7.12	7.63	7.81	7.96	8.35	8.25	8.08	8.22	7.99	8.24	7.73	7.55
Operation loans	4.61	4.32	4.74	5.35	5.42	5.53	5.66	5.15	5.32	5.32	5.72	4.92	4.62
Investment loans	5.54	5.75	6.18	6.45	6.60	6.69	6.41	6.44	6.17	6.10	6.06	5.93	5.64
Consumer loans	11.64	12.82	13.66	13.13	13.62	13.09	12.77	13.94	13.67	12.76	13.01	14.11	12.26
Real estate loans	5.70	5.83	5.92	6.09	6.39	6.53	6.62	6.58	6.52	6.49	6.11	6.13	6.05
of which:													
Mortgage loans	5.01	5.20	5.39	5.68	6.11	6.18	6.33	6.35	6.46	6.36	6.40	6.30	6.19
Construction loans	5.21	5.09	5.01	5.19	5.00	5.03	5.12	4.91	4.79	5.02	4.97	4.88	5.03
Intermediate loans	6.71	6.66	6.59	6.54	6.35	6.41	6.78	6.90	6.87	6.64	7.00	6.84	6.92
Other real estate loans	5.54	5.83	6.07	6.20	6.75	6.97	6.86	6.61	6.49	6.55	5.90	5.95	5.79
Other loans	5.65	5.55	6.36	6.51	7.13	6.89	6.26	7.08	6.63	6.13	6.33	6.29	5.23
Floating rate + IRF for up to 1 year incl.	7.14	6.97	7.40	7.71	8.10	8.25	8.21	7.84	7.80	7.95	7.95	7.53	7.07
IRF for over 1 year and up to 5 years incl.	6.61	7.38	7.95	7.82	7.63	7.75	7.56	8.34	7.05	7.61	7.13	7.82	5.61
IRF for over 5 years and up to 10 years incl.	7.24	7.34	7.03	7.26	7.32	7.50	7.70	7.65	8.06	7.99	8.03	6.40	6.34
IRF for over 10 years	6.35	6.63	6.01	6.72	6.63	6.94	6.99	6.94	6.02	6.77	7.12	6.52	5.67
Households													
Loans in total	11.27	11.18	11.42	12.16	12.32	12.56	12.57	12.82	12.54	12.85	12.80	12.56	11.16
Current account overdrafts	12.37	12.55	13.05	13.15	13.51	13.57	13.65	13.54	13.44	13.54	13.64	13.56	13.42
Operation loans	6.51	6.50	6.47	7.38	7.30	6.09	6.78	6.98	6.83	6.65	6.72	6.45	6.51
Investment loans	6.27	6.44	6.91	7.55	7.60	7.25	7.51	7.13	7.02	7.02	7.27	6.66	6.89
Consumer loans	11.64	12.82	13.66	13.13	13.62	13.09	12.77	13.95	13.67	12.76	13.03	14.11	12.69
Real estate loans	5.70	5.82	5.92	6.09	6.41	6.54	6.67	6.69	6.76	6.59	6.62	6.50	6.07
of which:													
Mortgage loans	5.00	5.20	5.39	5.68	6.11	6.17	6.33	6.34	6.45	6.32	6.41	6.29	6.20
Construction loans	5.21	5.09	5.01	5.19	5.00	5.03	5.12	4.91	4.79	5.02	4.97	4.88	5.03
Intermediate loans	6.73	6.69	6.62	6.54	6.41	6.44	6.84	7.03	6.90	6.73	7.00	6.85	6.95
Other real estate loans	5.53	5.82	6.06	6.20	6.76	7.01	7.00	6.86	7.02	6.96	6.68	6.63	5.78
Other loans	6.32	6.35	6.49	6.60	7.08	7.34	7.84	7.38	7.46	7.41	7.22	7.19	6.41
Credit cards	16.58	15.88	15.81	18.04	18.09	18.17	18.03	17.80	17.27	17.28	17.29	17.05	16.99
Floating rate + IRF for up to 1 year incl.	11.92	11.84	12.15	12.85	13.27	13.37	13.33	13.47	13.18	13.48	13.51	13.37	11.58
IRF for over 1 year and up to 5 years incl.	7.70	7.82	8.46	8.30	8.24	8.38	8.83	9.38	8.86	8.27	8.39	8.22	7.89
IRF for over 5 years and up to 10 years incl.	7.67	7.65	7.74	7.58	7.64	7.71	8.20	8.56	8.49	8.66	8.59	8.68	9.13
IRF for over 10 years	6.73	6.69	5.99	6.89	6.63	6.95	7.18	6.90	7.02	7.15	7.19	7.07	7.11
Non-financial corporations													
Loans in total	5.52	5.54	5.93	6.24	6.33	6.76	6.62	6.26	6.37	6.21	6.49	5.92	5.64
Current account overdrafts	5.60	5.64	6.04	6.28	6.38	6.89	6.73	6.53	6.60	6.33	6.66	6.04	5.78
Operation loans	4.51	4.67	4.87	5.59	5.41	5.66	5.71	5.08	5.32	5.40	5.72	4.96	4.73
Investment loans	5.70	5.67	6.00	6.37	6.53	6.70	6.64	6.71	6.31	5.79	6.01	5.92	5.62
Real estate loans	5.99	5.93	6.24	5.85	5.99	6.07	6.80	6.12	6.29	6.17	6.88	5.83	5.93
Other loans	5.63	5.30	6.32	6.12	7.05	6.59	5.98	6.75	6.49	5.74	5.80	5.55	5.74
Credit cards	14.29	13.92	14.22	17.24	17.12	16.49	17.47	16.68	17.27	17.22	17.29	17.08	17.12
Loans up 1 million EUR	5.34	5.72	6.17	6.49	6.35	7.45	6.80	6.31	6.39	6.26	6.24	6.13	5.92
Loans over 1 million EUR	4.95	4.71	4.96	5.63	5.72	5.36	5.54	5.29	5.79	5.25	5.70	5.21	5.19
Floating rate + IRF for up to 1 year incl.	5.51	5.54	5.93	6.23	6.33	6.77	6.63	6.25	6.37	6.21	6.49	5.92	5.66
IRF for over 1 year and up to 5 years incl.	5.67	5.71	6.13	6.56	6.48	6.74	6.57	6.73	6.46	6.24	6.55	6.53	5.68
IRF for over 5 years and up to 10 years incl.	5.67	5.80	5.53	6.46	6.25	6.74	6.52	6.51	6.50	6.48	6.41	5.82	4.67
IRF for over 10 years	6.07	6.34	6.43	6.31	6.56	6.81	6.64	7.94	5.83	6.24	7.04	5.97	4.70

1) Interest rates on total loans include insurance companies, pension funds, and the general government.

Note: IRF – initial rate fixation.



Average Interest Rates on New Deposits

(ECB methodology)

	2006										2007			
	4	5	6	7	8	9	10	11	12	1	2	3	4	
Deposits in total ¹⁾	1.67	1.66	2.01	1.91	2.09	2.37	2.46	2.35	2.32	2.12	2.40	1.81	1.85	
Deposits payable on demand	0.74	0.82	1.12	0.93	0.83	1.27	1.02	0.95	1.02	1.02	1.31	0.86	0.77	
of which: demand deposits	0.60	0.63	0.78	0.73	0.69	0.92	0.82	0.76	0.79	0.83	0.95	0.71	0.68	
overnight deposits	2.64	2.55	4.39	2.69	3.18	5.53	3.92	3.17	3.65	3.12	4.26	2.19	2.12	
Deposits with agreed maturity ²⁾	3.05	3.12	3.81	3.65	3.99	4.29	4.43	4.36	4.40	3.74	4.44	3.36	3.33	
- up to 1 year in total	3.06	3.13	3.82	3.66	3.99	4.29	4.43	4.36	4.40	3.74	4.45	3.36	3.33	
- up to 7 days	2.73	2.64	4.10	3.24	3.27	4.57	3.98	3.68	4.00	3.47	4.61	2.72	2.34	
- up to 1 month	3.21	3.27	3.80	3.80	4.24	4.27	4.57	4.52	4.55	3.83	4.50	3.65	3.57	
- up to 3 months	2.16	2.56	3.01	3.49	3.67	3.58	3.88	3.98	3.92	3.78	3.75	3.63	2.87	
- up to 6 months	2.17	2.64	2.90	3.74	3.75	3.81	3.98	3.66	3.87	3.90	3.77	3.66	3.43	
- up to 1 year	2.12	2.53	3.27	3.43	3.92	3.73	3.90	3.64	3.90	3.65	3.56	3.21	3.33	
- over 1 year in total	1.64	1.51	2.37	2.48	3.88	3.84	3.86	3.94	3.72	3.39	2.29	2.35	2.02	
- up to 2 years	2.08	2.04	2.60	3.50	3.89	3.75	3.93	4.06	4.07	3.62	3.03	2.24	3.08	
- over 2 years	1.60	1.45	2.37	2.45	3.97	4.04	3.99	3.99	4.00	3.41	2.28	3.80	1.94	
Deposits redeemable at notice	1.19	1.21	1.23	1.54	1.65	1.75	1.79	1.81	1.83	1.79	1.82	1.82	1.78	
- up to 3 months	1.06	1.07	1.09	1.45	1.47	1.47	1.54	1.55	1.55	1.48	1.49	1.48	1.39	
- over 3 months	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95	
Households														
Deposits in total	0.81	0.86	0.96	0.99	1.10	1.16	1.21	1.13	1.18	1.16	1.18	1.07	0.99	
Deposits payable on demand	0.42	0.45	0.51	0.50	0.51	0.54	0.51	0.50	0.50	0.51	0.58	0.54	0.51	
of which: demand deposits	0.41	0.43	0.45	0.47	0.49	0.49	0.48	0.47	0.48	0.49	0.48	0.52	0.50	
overnight deposits	2.14	2.35	3.97	2.41	2.83	5.02	3.73	3.09	3.11	2.86	4.00	2.08	1.75	
Deposits with agreed maturity	2.17	2.55	3.21	3.16	3.59	3.85	3.92	3.83	3.91	3.57	3.86	3.17	2.87	
- up to 1 year in total	2.18	2.57	3.23	3.20	3.58	3.85	3.92	3.83	3.92	3.58	3.93	3.17	2.87	
- up to 7 days	2.33	2.38	3.69	2.79	3.11	4.29	3.69	3.34	3.83	3.62	4.38	2.85	2.48	
- up to 1 month	2.16	2.62	3.13	3.17	3.49	3.65	3.90	3.90	3.90	3.39	3.89	3.16	2.86	
- up to 3 months	1.86	2.33	2.82	3.15	3.29	3.33	3.65	3.58	3.66	3.73	3.47	3.30	2.65	
- up to 6 months	1.99	2.43	2.76	3.29	3.54	3.70	3.59	3.52	3.54	3.14	3.21	3.19	2.70	
- up to 1 year	1.98	2.37	3.10	3.77	4.00	4.05	3.97	4.01	3.98	3.77	3.66	3.33	3.50	
- long-term over 1 year	1.64	1.50	2.38	2.19	3.89	3.90	3.86	3.90	3.67	3.39	2.29	2.61	2.43	
- up to 2 years	2.24	2.00	3.00	3.44	3.89	3.95	3.93	3.99	3.95	3.65	3.09	2.28	3.09	
- over 2 years	1.61	1.47	2.35	2.14	3.89	3.86	4.04	3.74	3.61	3.37	2.27	3.24	2.31	
Deposits redeemable at notice	1.18	1.21	1.22	1.54	1.65	1.75	1.78	1.81	1.83	1.79	1.82	1.82	1.78	
- up to 3 months	1.05	1.06	1.07	1.43	1.45	1.46	1.52	1.54	1.54	1.46	1.47	1.46	1.36	
- over 3 months	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95	
Non-financial corporations														
Deposits in total	2.03	1.95	2.51	2.11	2.34	3.00	2.87	2.69	2.70	2.58	3.09	2.17	2.11	
Deposits payable on demand	0.95	1.05	1.62	1.10	1.05	1.98	1.47	1.30	1.32	1.42	1.94	1.11	0.99	
of which: demand deposits	0.71	0.73	1.01	0.72	0.78	1.35	1.12	0.98	1.02	1.10	1.41	0.89	0.84	
overnight deposits	2.62	2.64	4.44	2.71	3.18	5.58	3.98	3.14	3.70	3.18	4.52	2.14	2.11	
Deposits with agreed maturity	3.16	3.15	3.95	3.66	3.90	4.41	4.42	4.34	4.39	3.73	4.52	3.36	3.23	
- up to 1 year in total	3.16	3.15	3.95	3.66	3.90	4.41	4.42	4.34	4.39	3.73	4.52	3.36	3.23	
- up to 7 days	2.80	2.63	4.17	3.31	3.28	4.58	4.00	3.68	3.99	3.44	4.64	2.73	2.32	
- up to 1 month	3.30	3.32	3.83	3.82	4.21	4.34	4.59	4.54	4.58	3.82	4.52	3.64	3.49	
- up to 3 months	3.07	3.16	3.57	3.89	4.08	4.11	4.26	4.43	4.37	3.89	4.06	4.04	3.16	
- up to 6 months	2.90	3.51	3.70	4.21	4.54	4.20	4.72	4.19	4.39	4.02	4.05	4.03	3.97	
- up to 1 year	2.93	3.59	3.78	2.59	4.29	3.87	4.51	4.21	4.05	3.55	3.70	3.06	3.20	
- long-term over 1 year	1.32	1.92	2.63	3.53	1.99	5.29	2.02	4.25	3.19	2.80	2.55	2.54	3.00	
- up to 2 years	1.63	2.45	4.05	4.91	-	2.56	2.39	4.38	3.28	3.23	2.84	2.66	-	
- over 2 years	0.94	1.42	1.54	3.52	1.99	8.40	1.98	2.42	2.62	1.98	1.32	1.50	3.00	
Deposits redeemable at notice	1.86	1.83	1.96	1.95	1.92	1.91	2.13	2.27	2.08	2.30	2.33	2.40	2.86	
- up to 3 months	1.91	1.88	2.01	2.00	1.96	1.96	2.19	2.23	2.14	2.38	2.42	2.48	2.96	
- over 3 months	1.17	1.16	1.21	1.21	1.21	1.21	1.20	2.83	1.20	1.19	1.19	1.21	1.36	

1) Interest rates on deposits in total include also sectors of insurance corporations, pension funds and general government.

2) Interest rates on deposits with agreed maturity include other non-negotiable securities (according to the ECB methodology).

Note: Deposits in total include also repo operations and other non-negotiable securities.

Average Interest Rates on Outstanding Loans

	2006									2007			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Loans in total¹⁾	6.15	6.19	6.40	6.55	6.66	6.87	6.90	6.90	6.91	6.83	6.90	6.83	6.74
Current account overdrafts	7.12	7.10	7.58	7.79	7.93	8.34	8.28	8.07	8.22	8.02	8.24	7.73	7.54
Consumer loans	12.21	12.31	12.63	12.68	12.74	12.86	12.85	12.89	12.94	12.96	12.99	13.12	13.37
Operation loans	4.47	4.42	4.81	4.98	5.19	5.30	5.38	5.35	5.29	5.10	5.23	4.95	4.74
Investment loans	4.85	4.94	5.18	5.41	5.57	5.83	5.92	5.94	5.86	5.70	5.68	5.55	5.52
Real estate purchase loans	6.19	6.17	6.20	6.22	6.25	6.28	6.35	6.39	6.42	6.44	6.46	6.56	6.55
Other loans	5.12	5.24	5.40	5.59	5.76	6.08	6.06	6.20	6.27	6.15	6.22	6.25	5.88
Credit cards	16.51	16.14	16.08	18.05	18.06	18.13	18.07	17.82	17.30	17.31	17.34	17.08	17.01
Short-term loans	6.09	6.07	6.42	6.69	6.88	7.13	7.17	7.01	7.01	6.87	7.04	6.69	6.52
Long-term loans over 1 year and up to 5 years	7.24	7.27	7.47	7.56	7.67	7.99	7.99	7.97	7.99	7.87	7.86	7.91	7.95
Long-term loans over 5 years	5.71	5.78	5.92	6.03	6.12	6.27	6.32	6.40	6.42	6.41	6.44	6.50	6.41
Households													
Loans in total	7.81	7.82	7.91	7.95	8.00	8.05	8.09	8.11	8.12	8.13	8.17	8.29	8.28
Current account overdrafts	12.37	12.47	12.91	13.10	13.43	13.45	13.64	13.43	13.44	13.54	13.65	13.56	13.39
Consumer loans	12.21	12.31	12.63	12.68	12.74	12.86	12.85	12.89	12.95	12.96	12.99	13.12	13.38
Real estate purchase loans	6.24	6.23	6.26	6.26	6.29	6.31	6.34	6.39	6.42	6.44	6.49	6.65	6.66
Other loans	6.95	6.92	6.93	6.94	7.02	7.08	7.21	7.24	7.28	7.29	7.31	7.21	7.20
Credit cards	16.57	16.20	16.14	18.07	18.09	18.17	18.08	17.85	17.30	17.32	17.35	17.09	17.01
Short-term loans	12.31	12.37	12.69	13.14	13.49	13.57	13.72	13.53	13.57	13.63	13.76	13.61	13.53
Long-term loans over 1 year and up to 5 years	10.80	10.83	10.99	10.99	11.05	11.13	11.11	11.15	11.15	11.15	11.12	11.26	11.23
Long-term loans over 5 years	6.34	6.34	6.41	6.44	6.48	6.53	6.59	6.65	6.69	6.72	6.78	6.92	6.94
Non-financial institutions													
Loans in total	5.01	5.09	5.41	5.65	5.82	6.14	6.16	6.13	6.11	5.95	6.05	5.80	5.58
Current account overdrafts	5.57	5.59	6.00	6.25	6.36	6.91	6.78	6.56	6.60	6.38	6.66	6.05	5.78
Operation loans	4.46	4.39	4.92	5.11	5.33	5.45	5.52	5.47	5.37	5.11	5.25	4.94	4.63
Investment loans	4.94	5.05	5.31	5.56	5.74	5.97	6.07	6.09	6.00	5.84	5.83	5.69	5.58
Real estate purchase loans	5.14	5.08	5.30	5.56	5.55	5.83	6.53	6.53	6.49	6.42	6.35	6.20	6.05
Other loans	4.92	5.18	5.31	5.53	5.77	6.06	5.89	6.13	6.15	5.97	6.09	6.19	5.75
Credit cards	14.29	14.31	14.49	17.24	17.12	16.49	17.47	16.68	17.27	17.23	17.30	17.08	17.12
Short-term loans	5.05	5.04	5.45	5.70	5.85	6.26	6.24	6.10	6.08	5.88	6.07	5.66	5.42
Long-term loans over 1 year and up to 5 years	5.32	5.43	5.69	5.91	6.14	6.31	6.41	6.35	6.38	6.19	6.24	6.13	5.88
Long-term loans over 5 years	4.83	4.96	5.20	5.45	5.61	5.88	5.94	6.04	6.02	5.92	5.91	5.79	5.62

1) Interest rates on loans include all sectors (i. e. non-financial institutions, households, insurance corporations, pension funds and general government).

Note: Data in this table include only performing loans according to Decree of the NBS No. 7/2005 on the classification of assets and liabilities of banks and branches of foreign banks.



Average Interest Rates on Outstanding Deposits

	2006									2007			
	4	5	6	7	8	9	10	11	12	1	2	3	4
Deposits in total¹⁾	1.74	1.72	2.02	1.94	2.11	2.39	2.38	2.32	2.34	2.18	2.45	1.97	2.03
Deposits payable on demand	0.74	0.80	1.12	0.86	0.82	1.26	1.01	0.95	1.02	1.01	1.28	0.86	0.77
of which: demand deposits	0.60	0.61	0.77	0.66	0.69	0.90	0.81	0.75	0.79	0.82	0.94	0.71	0.68
overnight deposits	2.64	2.55	4.39	2.68	3.19	5.54	3.93	3.17	3.65	3.11	4.02	2.19	2.13
Deposits with agreed maturity ²⁾	2.56	2.56	2.91	2.92	3.16	3.36	3.46	3.45	3.54	3.22	3.52	2.96	3.01
- up to 1 year in total	2.55	2.55	2.98	2.99	3.28	3.51	3.62	3.61	3.74	3.36	3.73	3.04	3.09
- up to 7 days	2.49	2.49	3.83	2.85	3.16	4.82	3.88	3.52	3.55	3.22	3.99	2.38	2.38
- up to 1 month	2.96	2.95	3.39	3.44	3.76	3.83	4.09	4.07	4.05	3.43	3.99	3.07	3.21
- up to 3 months	1.82	1.98	2.15	2.45	2.72	2.78	2.85	2.92	2.93	3.03	3.05	2.99	2.60
- up to 6 months	1.76	1.93	2.12	2.41	2.69	2.94	3.07	3.19	3.28	3.41	3.39	3.36	3.26
- up to 1 year	0.87	0.97	1.12	1.29	1.68	1.90	2.08	2.20	3.35	3.42	3.43	3.49	3.53
- over 1 year in total	2.62	2.59	2.56	2.55	2.55	2.56	2.57	2.57	2.57	2.55	2.57	2.58	2.59
- up to 2 years	1.90	1.94	2.30	2.36	2.52	2.83	3.07	3.26	3.28	3.32	3.27	3.10	3.19
- over 2 years	2.64	2.60	2.57	2.55	2.55	2.55	2.55	2.55	2.55	2.53	2.54	2.56	2.58
Deposits redeemable at notice	1.19	1.21	1.23	1.54	1.65	1.75	1.79	1.81	1.83	1.78	1.82	1.82	1.78
- up to 3 months	1.06	1.07	1.09	1.45	1.47	1.47	1.54	1.55	1.55	1.46	1.49	1.48	1.39
- over 3 months	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95
Households													
Deposits in total	1.29	1.31	1.43	1.51	1.64	1.74	1.79	1.81	1.87	1.84	1.91	1.82	1.74
Deposits payable on demand	0.42	0.45	0.51	0.50	0.51	0.54	0.51	0.50	0.50	0.51	0.57	0.54	0.51
of which: demand deposits	0.41	0.43	0.45	0.47	0.49	0.49	0.48	0.47	0.48	0.49	0.48	0.52	0.50
overnight deposits	2.14	2.35	3.97	2.41	2.83	5.02	3.73	3.09	3.11	2.86	3.94	2.08	1.75
Deposits with agreed maturity	2.09	2.13	2.33	2.42	2.61	2.74	2.83	2.87	2.92	2.87	2.94	2.81	2.70
- up to 1 year in total	1.82	1.89	2.21	2.36	2.65	2.83	2.94	3.00	3.07	3.01	3.11	2.91	2.74
- up to 7 days	1.75	1.70	2.80	2.19	2.22	3.62	3.01	2.54	2.84	2.58	3.48	1.90	1.68
- up to 1 month	1.84	1.85	2.20	2.33	2.51	2.56	2.71	2.72	2.76	2.58	2.73	2.46	2.17
- up to 3 months	1.68	1.83	2.03	2.25	2.50	2.59	2.69	2.72	2.75	2.85	2.85	2.79	2.48
- up to 6 months	1.66	1.82	2.01	2.24	2.53	2.76	2.90	3.03	3.10	3.12	3.10	3.03	2.95
- up to 1 year	1.72	1.83	2.09	2.45	3.01	3.26	3.40	3.53	3.62	3.69	3.71	3.75	3.76
- long-term over 1 year	2.62	2.59	2.57	2.54	2.54	2.55	2.56	2.57	2.57	2.55	2.57	2.58	2.60
- up to 2 years	1.81	1.84	2.24	2.32	2.53	2.92	3.17	3.38	3.44	3.49	3.44	3.47	3.38
- over 2 years	2.63	2.60	2.57	2.55	2.54	2.54	2.55	2.55	2.55	2.52	2.54	2.56	2.59
Deposits redeemable at notice	1.18	1.21	1.22	1.54	1.65	1.75	1.78	1.81	1.83	1.78	1.82	1.82	1.77
- up to 3 months	1.05	1.06	1.07	1.43	1.45	1.46	1.52	1.54	1.54	1.45	1.47	1.46	1.36
- over 3 months	1.25	1.28	1.30	1.59	1.75	1.89	1.91	1.93	1.97	1.93	1.98	1.98	1.95
Non-financial corporations													
Deposits in total	1.99	1.89	2.43	2.09	2.34	3.03	2.80	2.60	2.56	2.48	3.03	2.08	2.14
Deposits payable on demand	0.95	1.05	1.62	1.10	1.05	1.98	1.47	1.30	1.32	1.41	1.89	1.11	0.99
of which: demand deposits	0.71	0.73	1.01	0.72	0.78	1.35	1.12	0.98	1.02	1.09	1.40	0.89	0.84
overnight deposits	2.62	2.64	4.44	2.71	3.18	5.58	3.98	3.15	3.70	3.18	4.26	2.14	2.11
Deposits with agreed maturity	3.07	3.07	3.72	3.58	3.86	4.35	4.34	4.28	4.24	3.72	4.36	3.20	3.28
- up to 1 year in total	3.07	3.08	3.73	3.58	3.87	4.36	4.35	4.29	4.25	3.73	4.37	3.20	3.28
- up to 7 days	2.62	2.66	4.02	3.00	3.35	5.13	4.07	3.68	3.58	3.33	4.15	2.42	2.55
- up to 1 month	3.20	3.16	3.70	3.72	4.07	4.20	4.45	4.40	4.45	3.76	4.49	3.31	3.43
- up to 3 months	2.70	2.97	3.09	3.56	3.78	3.90	3.97	4.16	4.12	3.83	4.00	3.86	3.28
- up to 6 months	2.65	2.89	3.08	3.22	3.34	3.91	4.11	4.24	4.41	3.98	3.99	4.03	3.98
- up to 1 year	2.47	2.73	2.96	2.92	3.10	3.34	3.66	3.65	3.85	3.63	3.72	3.69	3.71
- long-term over 1 year	2.41	2.41	2.47	2.86	2.80	2.82	2.85	3.01	2.93	2.83	2.67	2.50	2.45
- up to 2 years	2.50	2.51	2.69	2.77	2.69	2.69	2.74	3.39	3.18	3.16	3.07	2.94	2.86
- over 2 years	2.37	2.36	2.36	2.88	2.82	2.85	2.87	2.86	2.85	2.71	2.51	2.32	2.30
Deposits redeemable at notice	1.86	1.83	1.96	1.95	1.92	1.91	2.13	2.27	2.08	1.96	2.33	2.40	2.86
- up to 3 months	1.91	1.88	2.01	2.00	1.96	1.96	2.19	2.23	2.14	2.01	2.42	2.48	2.96
- over 3 months	1.17	1.16	1.21	1.21	1.21	1.21	1.20	2.83	1.20	1.19	1.19	1.21	1.36

1) Interest rates on deposits in total include also sectors of insurance corporations, pension funds and general government.

2) Interest rates on deposits with agreed maturity include other non-negotiable securities (according to the ECB methodology).

Note: Deposits in total include also repo operations and other non-negotiable securities.



Shortened Balance Sheet of Commercial Banks as at 30 April 2007

(Banks and branches of foreign banks operating in the SR in total)

(SKK thousands)

ASSETS	Accumulated depreciation and provisions	Slovak koruna		Foreign currency		Total
		Residents	Non-residents	Residents	nonresidenti	
Total assets	58,521,690	1,313,080,942	55,750,831	164,323,083	56,704,553	1,531,337,719
Cash items	0	13,013,497	0	25,786	3,679,257	16,718,540
Cash in hand	0	12,127,526	0	0	3,437,806	15,565,332
of which: EUR	0	0	0	0	1,797,833	1,797,833
Gold	0	0	0	0	0	0
Amounts in transit	0	885,971	0	25,786	241,451	1,153,208
Loans and other receivables	22,132,781	892,709,390	23,093,018	150,521,341	33,941,434	1,078,132,402
Deposits and loans to NBS, foreign central banks and post office banks	807	318,236,190	0	0	94,726	318,330,109
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	807	234,973,017	0	0	94,726	235,066,936
Valued on a portfolio basis (category II)	0	83,263,173	0	0	0	83,263,173
Valued on an individual basis						
with identifiable depreciation (category III)	0	0	0	0	0	0
of which: Failed	0	0	0	0	0	0
of which: Current accounts	0	1,460,539	0	0	94,321	1,554,860
Time deposits	0	5,756,361	0	0	0	5,756,361
Loans provided	807	299,453,539	0	0	0	299,452,732
Money reserve accounts	0	11,565,751	0	0	0	11,565,751
of which: Minimum reserve requirements	0	11,409,054	0	0	0	11,409,054
Postal cheque accounts	0	0	0	0	405	405
Deposits and loans to banks	74,184	36,058,991	17,958,499	7,372,313	17,710,295	79,025,914
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	1,542	34,458,281	15,582,577	7,361,718	14,485,874	71,886,908
Valued on a portfolio basis (category II)	2,219	1,557,693	2,375,922	10,595	2,544,509	6,486,500
Valued on an individual basis						
with identifiable depreciation (category III)	70,423	43,017	0	0	679,912	652,506
of which: Failed	41,380	41,848	0	0	0	468
of which: Deposits with and loans to own financial group	113	704,150	2,526,802	0	3,980,765	7,211,604
of which: Current accounts in banks	45	535,164	53,528	53,827	3,570,523	4,212,997
Current accounts of other banks	50	44,331	6,935,428	0	530,511	7,510,220
Time deposits	428	32,316,550	10,953,365	7,239,844	9,705,786	60,215,117
Loans provided	73,661	2,825,577	0	0	3,840,852	6,592,768
Other receivables from banks	0	337,369	16,178	78,642	62,623	494,812
Receivables from customers	22,048,182	520,553,984	5,134,513	136,941,594	15,447,548	656,029,457
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	206,096	140,535,985	3,662,010	69,071,834	9,412,730	222,476,463
Valued on a portfolio basis (category II)	12,963,340	358,778,178	1,164,545	62,971,372	5,166,451	415,117,206
Valued on an individual basis						
with identifiable depreciation (category III)	8,878,746	21,239,821	307,958	4,898,388	868,367	18,435,788
of which: Failed	15,598,211	19,953,111	176,570	887,687	311,978	5,731,135
of which: MMIF loans	0	0	0	0	0	0
Loans to general government and international organizations (S.13)	9,608	17,860,225	6	6,207,434	171,167	24,229,224
of which: Valued on an individual basis						
with no identifiable depreciation (category I)	6,193	12,518,868	6	5,855,121	171,167	18,538,969
Valued on a portfolio basis (category II)	3,415	5,316,874	0	352,313	0	5,665,772
Valued on an individual basis						
with identifiable depreciation (category III)	0	24,483	0	0	0	24,483
of which: Failed	6	7	0	0	0	1
of which: Deposits to central government (S.1311)	0	0	0	0	0	0
Loans to central government (S.1311)	0	7,619,973	6	54,698	171,167	7,845,844
of which: SR Treasury	0	10	0	0	0	10
Other funds	0	0	0	0	0	0
Loans to local governments (S.1313)	9,608	10,043,508	0	6,152,736	0	16,186,636
Loans to social security funds (S.1314)	0	196,744	0	0	0	196,744
of which: Health insurance companies	0	0	0	0	0	0
Social Insurance Corporation	0	196,744	0	0	0	196,744
Debt securities	0	0	0	0	517,698	517,698
Financial instruments available for sale	337,163	33,665,114	4,456,041	3,892,168	7,204,973	48,881,133
Financial instruments at fair value through profit/loss: held for trading (excluding derivatives)	0	99,273,371	1,507,208	2,800,351	1,696,103	105,277,033
Financial instruments at fair value towards profit/loss: others (from the point of settlement)	0	5,887,754	1,713,355	4,028,519	5,904,907	17,534,535
Positive fair value of derivative transactions for trading	0	7,940,923	18,105,876	0	0	26,046,799
Financial instruments held to maturity	53,101	187,434,797	5,729,727	2,180,162	3,544,868	198,836,453
Positive fair value of derivative hedge transactions	0	73,831	223,973	0	0	297,804
Change in fair value of hedged items in the portfolio of interest rate risk hedges	0	0	0	0	0	0
Subsidiary and affiliated companies, joint ventures	683,318	5,376,998	873,345	0	0	5,567,025
Funds to branches abroad	0	0	0	0	485,611	485,611
Tangible assets	23,160,993	44,854,928	0	616	74,380	21,768,931
Intangible assets	10,321,215	15,212,102	0	0	0	4,890,887
Other assets	954,600	4,231,019	48,288	874,140	173,020	4,371,867
Tax receivables	0	1,607,184	0	0	0	1,607,184
Depreciation	33,782,246	33,782,246	0	0	0	0
Non-current assets held for sale (IFRS 5)	878,519	1,800,034	0	0	0	921,515



Shortened Balance Sheet of Commercial Banks as at 30 April 2007

(Banks and branches of foreign banks operating in the SR in total)

(SKK thousands)

LIABILITIES	Slovak koruna		Foreign currency		Total
	Residents	Non-residents	Residents	nerezidenti	Residents
Total liabilities	1,053,304,047	130,856,633	136,784,692	210,392,347	1,531,337,719
PAYABLES	984,349,694	89,144,854	136,663,025	210,349,329	1,420,526,902
Deposits and loans from NBS and foreign central banks	2,992,773	0	22,237	0	3,015,010
of which: Current accounts	84	0	0	0	84
Time deposits	0	0	0	0	0
Loans received	2,992,689	0	22,237	0	3,014,926
Postal cheque accounts	0	0	0	0	0
Financial liabilities valued at amortized costs	932,031,507	65,999,214	131,072,619	160,536,665	1,289,640,005
Deposits, loans and other liabilities received from banks	24,113,294	52,892,335	7,092,591	140,769,737	224,867,957
of which: Deposits and loans received from own financial group	215,987	17,117,455	16	93,522,662	110,856,120
of which: Current accounts in banks	44,332	23,513	0	6,694,063	6,761,908
Current accounts of other banks	529,098	14,124,998	53,917	594,932	15,302,945
Time deposits	20,708,138	37,062,680	6,990,523	119,126,633	183,887,974
Subordinate debts	212,372	1,063,048	0	4,671,988	5,947,408
Loans received	2,603,194	603,517	0	9,076,873	12,283,584
Other liabilities received from banks	16,160	14,579	48,151	605,248	684,138
Deposits and loans received from customers	763,030,765	9,728,343	100,429,513	7,720,432	880,909,053
of which: MMIF deposits	21,515,946	0	1,939	0	21,517,885
of which: Current accounts and other financial undated liabilities	298,976,516	5,682,109	49,242,071	3,363,113	357,263,809
Time deposits	414,068,713	3,955,860	46,079,013	1,607,832	465,711,418
Deposits redeemable at notice	33,017,231	61,300	1,178,058	11,273	34,267,862
Certificates of deposit	113,249	60	0	0	113,309
Loans received and financial leasing	6,229,264	0	0	0	6,229,264
Other liabilities received from customers	10,625,792	29,014	3,930,371	2,738,214	17,323,391
Deposits of general government and international organizations	66,345,093	16,944	21,716,911	2,524,724	90,603,672
of which: Deposits of central government (S.1311)	42,432,640	16,944	21,688,525	2,524,646	66,662,755
of which: Treasury	835,699	0	6,145,133	0	6,980,832
Other funds	6,883,846	0	137,393	0	7,021,239
of which: National Property Fund	6,871,381	0	131,893	0	7,003,274
Deposits of local governments (S.1313)	23,912,373	0	28,386	78	23,940,837
Deposits of social security funds (S.1314)	80	0	0	0	80
of which: Health insurance companies	80	0	0	0	80
Social Insurance Corporation	0	0	0	0	0
Securities issued by the accounting unit	78,542,355	3,361,592	1,833,604	9,521,772	93,259,323
Financial liabilities held for trading (excluding derivatives)	0	0	0	0	0
Financial liabilities in fair value through profit/loss (IAS 39)	16,257,804	6,078,492	3,307,255	49,631,516	75,275,067
of which: Current accounts	0	0	0	0	0
Time deposits	16,257,804	6,078,492	3,307,255	49,631,516	75,275,067
Deposits redeemable at notice	0	0	0	0	0
Debt securities issued	0	0	0	0	0
Loans received	0	0	0	0	0
Subordinated liabilities	0	0	0	0	0
of which: Loans	0	0	0	0	0
Debt securities issued	0	0	0	0	0
Other liabilities	0	0	0	0	0
Negative fair value of derivative transactions for trading	13,126,430	16,920,670	0	0	30,047,100
Negative fair value of derivate hedge transactions	1,159	128,231	0	0	129,390
Change in fair value of hedged items in the portfolio of interest rate risk hedges	0	0	0	0	0
Financial liabilities arising from the transfer of financial assets	0	0	0	0	0
Subsidies and similar funds	80,000	0	0	0	80,000
Reserves	5,133,381	76	454,262	45	5,587,764
Other liabilities	13,186,780	18,171	1,806,652	181,103	15,192,706
Tax liabilities	1,559,860	0	0	0	1,559,860
EQUITY	68,934,353	41,711,779	121,667	43,018	110,810,817
Share capital	3,871,404	37,990,218	0	0	41,861,622
of which: Subscribed share capital	3,875,003	37,990,218	0	0	41,865,221
Receivables from shareholders	0	0	0	0	0
Own shares	-3,599	0	0	0	-3,599
Funds to branches of foreign banks	32,000	3,124,759	0	33,667	3,190,426
Share premium	2,483,817	475,000	0	0	2,958,817
Reserve funds and other funds created from profits	12,738,492	119,500	0	0	12,857,992
Other funds	193,216	5,490	0	1,322	200,028
Valuation changes	566,396	-3,188	121,667	8,029	692,904
Profit/loss from previous years	31,115,634	0	0	0	31,115,634
of which: Retained earnings	31,864,476	0	0	0	31,864,476
Accumulated loss	-748,842	0	0	0	-748,842
Profit and loss account	6,018,146	0	0	0	6,038,146
Profit/loss in process of approval	11,915,248	0	0	0	11,915,248



Monthly Profit and Loss Account of Commercial Banks

(Banks and branches of foreign banks operating in the SR in total)

(SKK millions)

	2006									2007			
	4	5	6	7	8	9	10	11	12	1	2	3	4
NET INTEREST INCOME	10,099	12,769	15,601	18,717	21,689	24,727	27,855	30,980	34,591	3,298	6,056	9,317	12,243
Interest income on securities	4,046	5,032	5,966	7,085	8,227	9,298	10,406	11,492	12,637	1,202	2,344	3,472	4,538
Other interest income	15,809	20,368	25,451	30,078	34,711	39,421	44,561	49,834	55,416	5,479	9,999	15,579	20,236
Interest expenses on securities	904	1,149	1,391	1,655	1,948	2,234	2,535	2,857	3,186	316	659	1,014	1,303
Other interest expenses	8,852	11,483	14,426	16,791	19,300	21,758	24,577	27,489	30,276	3,067	5,629	8,720	11,227
NET NON-INTEREST INCOME	6,981	8,346	10,217	11,942	13,424	14,706	16,314	17,786	19,090	1,719	3,292	5,225	6,603
Fee and commission income	4,634	5,905	6,957	8,117	9,303	10,454	11,626	12,844	14,304	1,206	2,399	3,794	4,930
Fees and commission expenses	859	1,128	1,377	1,635	1,908	2,197	2,439	2,720	3,055	225	458	693	925
Dividends received	211	221	333	389	399	399	440	443	456	5	5	9	27
Income from transactions in securities	1,189	1,325	1,489	1,788	2,039	2,442	2,622	2,869	3,124	274	445	878	903
Expenses related to transactions in securities	1,328	1,815	2,435	2,481	2,601	2,517	2,614	2,649	3,025	226	299	425	541
Profit/loss on foreign exchange transactions	3,264	3,768	2,021	3,196	4,113	5,012	6,880	8,703	10,026	-1,978	-288	3,716	2,537
Profit/loss on fixed forward transactions and options	-127	87	3,294	2,615	2,155	1,142	-160	-1,674	-2,659	2,691	1,523	-2,022	-244
Income from other transactions	126	152	159	192	250	286	317	422	455	4	26	69	50
Expenses related to other transactions	130	169	224	240	327	315	358	452	536	34	62	100	134
NET OPERATING PROFIT/LOSS	-749	-990	-1,103	-1,254	-1,263	-1,636	-1,594	-1,433	1,400	-90	-852	-868	-910
GENERAL OPERATING EXPENSES	9,474	11,917	14,255	16,739	19,367	21,682	24,188	26,840	30,046	2,555	5,039	7,843	10,446
NET CREATION OF RESERVES AND PROVISIONS	-522	-337	-982	-1,217	-1,526	-1,806	-2,301	-2,513	-2,637	-375	287	109	-458
INCOME TAX	962	1,225	1,361	1,606	1,846	2,337	2,682	2,992	4,625	347	520	919	1,014
CURRENT PERIOD PROFIT/LOSS	5,371	6,646	8,117	9,844	11,112	11,972	13,403	14,989	17,773	1,650	3,224	5,021	6,018



Balance of Payments of the SR for January – March 2007

	Collection / Credit (+)		Payments / Debit (-)		Balance	
	SKK millions	USD millions	SKK millions	USD millions	SKK millions	USD millions
Goods	337,686.0	12,873.5	339,425.0	12,939.8	-1,739.0	-66.3
Services	36,069.0	1,375.1	34,991.0	1,334.0	1,078.0	41.1
Transport	11,847.9	451.7	9,416.0	359.0	2,431.8	92.7
Tourism	10,857.9	413.9	7,899.8	301.2	2,958.1	112.8
Other services	13,363.2	509.4	17,675.1	673.8	-4,311.9	-164.4
Income	14,432.4	550.2	13,290.1	506.7	1,142.2	43.5
Compensation of employees	9,000.0	343.1	353.2	13.5	8,646.8	329.6
Investment income	5,432.4	207.1	12,936.9	493.2	-7,504.6	-286.1
Current transfers	9,490.5	361.8	13,559.0	516.9	-4,068.6	-155.1
CURRENT ACCOUNT	397,677.8	15,160.6	401,265.1	15,297.4	-3,587.3	-136.8
Capital account	4,513.4	172.1	340.1	13.0	4,173.3	159.1
Financial account	1,806,465.8	68,867.0	-1,754,213.4	-66,879.5	52,252.3	1,987.5
Direct investment	250,298.4	9,542.1	-253,402.1	-9,660.4	-3,103.7	-118.3
<i>Abroad (direct investor = resident)</i>	7,256.0	276.6	-8,635.0	-329.2	-1,379.0	-52.6
Equity capital and reinvested earnings	11.0	0.4	-403.0	-15.4	-392.0	-14.9
Other capital	7,245.0	276.2	-8,232.0	-313.8	-987.0	-37.6
<i>In the SR (recipient of dir. investment = resident)</i>	243,042.4	9,265.5	-244,767.1	-9,331.2	-1,724.7	-65.8
Equity capital and reinvested earnings	10,018.4	381.9	-2,747.1	-104.7	7,271.3	277.2
Other capital	233,024.0	8,883.5	-242,020.0	-9,226.5	-8,996.0	-343.0
Portfolio investment	124,996.9	4,765.2	-147,897.1	-5,638.3	-22,900.2	-873.0
Assets	15,630.0	595.9	-22,649.3	-863.5	-7,019.3	-267.6
Liabilities	109,367.0	4,169.4	-125,247.9	-4,774.8	-15,880.9	-605.4
Financial derivatives	749,096.7	28,557.7	-745,939.0	-28,437.3	3,157.7	120.4
Assets	378,431.1	14,426.9	-377,621.8	-14,396.0	809.3	30.9
Liabilities	370,665.6	14,130.8	-368,317.2	-14,041.3	2,348.3	89.5
Other investment	682,073.8	26,002.0	-606,975.2	-23,143.5	75,098.5	2,858.4
<i>Long-term</i>	97,746.4	3,726.4	-99,381.6	-3,791.7	-1,635.2	-65.4
Assets	2,952.7	112.6	-5,197.9	-198.2	-2,245.1	-85.6
Liabilities	94,793.7	3,613.8	-94,183.8	-3,593.6	609.9	20.2
<i>Short-term</i>	584,327.4	22,275.6	-507,593.6	-19,351.8	76,733.8	2,923.8
Assets	292,073.6	11,134.7	-286,016.0	-10,903.7	6,057.6	230.9
Liabilities	292,253.8	11,140.9	-221,577.6	-8,448.0	70,676.2	2,692.9
CAPITAL AND FINANCIAL ACCOUNT	1,810,979.2	69,039.0	-1,754,553.5	-66,892.5	56,425.6	2,146.6
ERRORS AND OMISSIONS					23,925.4	1,004.3
TOTAL BALANCE	0.0	0.0	76,763.8	3,014.1	76,763.8	3,014.1
Monetary gold	0.0	0.0	-0.3	0.0	-0.3	0.0
Special drawing rights	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange assets	0.0	0.0	-76,763.5	-3,014.1	-76,763.5	-3,014.1
Deposits	0.0	0.0	-32,340.3	-1,264.4	-32,340.3	-1,264.4
Securities	0.0	0.0	-44,423.2	-1,749.7	-44,423.2	-1,749.7
Bonds and notes	0.0	0.0	-6,948.5	-279.9	-6,948.5	-279.9
Money market instruments and financial derivatives	0.0	0.0	-37,474.7	-1,469.8	-37,474.7	-1,469.8
RESERVE ASSETS	0.0	0.0	-76,763.8	-3,014.1	-76,763.8	-3,014.1

Note: Preliminary data.

Applied rate of exchange: USD 1 = SKK 26.231.



Overview of Issues of NBS Bills

Registration number	Date of			Maturity	Volume in SKK millions		Type of auction	Interest rate in % p.a.		
	auction	issue	maturity		demand	accept.		min.	average	max.
960704001	12.1.2006	13.1.2006	7.4.2006	84	28,575	5,553	American	3.00	3.00	3.00
960505003	9.2.2006	10.2.2006	5.5.2006	84	13,000	0	American	-	-	-
960906004	16.3.2006	17.3.2006	9.6.2006	84	6,310	210	American	3.50	3.50	3.50
963006005	6.4.2006	7.4.2006	30.6.2006	84	9,053	300	American	3.50	3.50	3.50
962807007	4.5.2006	5.5.2006	28.7.2006	84	1,515	0	American	-	-	-
963108008	8.6.2006	9.6.2006	31.8.2006	83	23,445	22,691	American	3.98	4.00	4.00
962209010	29.6.2006	30.6.2006	22.9.2006	84	400	0	American	-	-	-
962010011	27.7.2006	28.7.2006	20.10.2006	84	1,364	222	American	4.50	4.50	4.50
962411013	30.8.2006	31.8.2006	24.11.2006	85	2,883	1,550	American	4.50	4.50	4.50
961512014	21.9.2006	22.9.2006	15.12.2006	84	9,550	0	American	-	-	-
961201015	19.10.2006	20.10.2006	12.1.2007	84	7,100	500	American	4.75	4.75	4.75
961602017	23.11.2006	24.11.2006	16.2.2007	84	1,950	1,150	American	4.75	4.75	4.75
960903018	14.12.2006	15.12.2006	9.3.2007	84	36,613	36,113	American	4.74	4.75	4.75
971105002	15.2.2007	16.2.2007	11.5.2007	84	60,980	0	American	-	-	-
970106003	8.3.2007	9.3.2007	1.6.2007	84	63,740	0	American	-	-	-
970308005	10.05.2007	11.05.2007	3.08.2007	84	73,661	20,000	American	4.05	4.15	4.18
972408007	31.05.2007	1.06.2007	24.08.2007	84	50,400	30,000	American	4.15	4.23	4.25



Basic Characteristics of Slovakia's Foreign Exchange Market in May 2007

	USD			EUR			Other currencies			Total	
	Volume		Number of transactions	Volume		Number of transactions	Volume		Number of transactions	Volume USD millions	Number of transactions
	USD millions	%		USD millions	%		USD millions	%			
NBS	-	-	-	0.0	-	0	-	-	-	0.0	0
Transactions between domestic banks without foreign participation	6,141.0	75.4	228	1,932.4	23.7	739	70.2	0.9	59	8,143.7	1,026
Interbank forex market: NBS + transactions between domestic banks	6,141.0	75.4	228	1,932.4	23.7	739	70.2	0.9	59	8,143.7	1,026
Transactions between domestic and foreign banks	63,425.6	87.3	2,094	9,088.2	12.5	3,656	146.8	0.2	176	72,660.6	5,926
Foreign exchange market in the SR – total	69,566.6	86.1	2,322	11,020.6	13.6	4,395	217.0	0.3	235	80,804.3	6,952

	SPOT			FORWARD			SWAP			OPTIONS			Total	
	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume		No. of transactions	Volume USD millions	No. of transactions
	USD millions	%		USD millions	%		USD millions	%		USD millions	%			
Transactions between domestic banks without foreign participation	1,463.6	18.0	805	31.6	0.4	9	6,636.6	81.6	212	0.0	0.1	-	8,131.8	1,026
Transactions between domestic and foreign banks	5,727.8	7.9	2,607	137.8	0.2	67	65,604.2	90.3	2,124	1,149.1	1.6	1,128	72,619.0	5,926
Foreign exchange market in the SR - excl. the NBS	7,191.4	8.9	3,412	169.4	0.2	76	72,240.8	89.5	2,336	1,149.1	1.4	1,128	80,750.7	6,952



Average Monthly Exchange Rates of the SKK against Selected Currencies

Midpoint rate	2006								2007				
	5	6	7	8	9	10	11	12	1	2	3	4	5
1 AUD	22.490	22.247	22.748	22.455	22.286	21.992	21.537	20.828	20.921	20.664	20.257	20.478	20.584
1 BGN	-	-	-	-	-	-	-	-	17.754	17.656	17.316	17.108	17.247
1 CYP	65.331	66.157	66.770	65.472	65.088	63.909	62.197	60.595	60.044	59.625	58.415	57.566	57.864
1 CZK	1.328	1.340	1.350	1.336	1.322	1.302	1.281	1.260	1.249	1.223	1.206	1.195	1.195
1 DKK	5.039	5.101	5.146	5.051	5.029	4.942	4.818	4.698	4.658	4.632	4.546	4.490	4.527
1 EUR	37.575	38.036	38.388	37.688	37.505	36.852	35.914	35.025	34.721	34.524	33.863	33.468	33.726
1 EEK	2.401	2.431	2.453	2.409	2.398	2.355	2.296	2.239	2.219	2.207	2.164	2.139	2.156
100 JPY	26.331	26.220	26.170	25.421	25.181	24.624	23.790	22.654	22.183	21.903	21.822	20.861	20.666
1 CAD	26.508	26.997	26.845	26.266	26.398	25.902	24.599	23.043	22.723	22.561	21.885	21.807	22.758
1 LTL	10.881	11.014	11.117	10.914	10.863	10.671	10.403	10.143	10.055	9.999	9.807	9.689	9.769
1 LVL	53.981	54.642	55.156	54.151	53.899	52.937	51.550	50.207	49.779	49.345	47.792	47.521	48.426
100 HUF	14.308	14.022	13.814	13.743	13.672	13.769	13.866	13.779	13.690	13.624	13.536	13.598	13.579
1 MTL	87.563	88.593	89.435	87.798	87.390	85.836	83.694	81.595	80.887	80.445	78.930	77.973	78.575
1 NOK	4.819	4.845	4.834	4.724	4.545	4.392	4.355	4.296	4.193	4.269	4.164	4.121	4.144
1 PLN	9.646	9.460	9.596	9.658	9.465	9.434	9.386	9.189	8.961	8.865	8.710	8.763	8.921
1 RON	-	-	-	-	-	-	-	-	10.239	10.207	10.044	10.030	10.265
100 SIT	15.678	15.871	16.020	15.728	15.658	15.377	14.990	14.615	-	-	-	-	-
1 CHF	24.133	24.382	24.474	23.893	23.699	23.177	22.567	21.945	21.503	21.293	21.009	20.446	20.435
1 SEK	4.025	4.117	4.164	4.094	4.049	3.981	3.945	3.875	3.825	3.763	3.643	3.618	3.666
1 USD	29.461	30.054	30.286	29.426	29.448	29.225	27.915	26.504	26.694	26.434	25.583	24.788	24.954
1 GBP	54.961	55.412	55.805	55.649	55.570	54.751	53.320	52.044	52.321	51.737	49.810	49.266	49.496
1 XDR	43.828	44.414	44.734	43.753	43.649	43.051	41.567	39.980	39.916	39.569	38.568	37.667	37.875

Note: With effect from 1 January 2007, the Slovenian tolar (SIT) has been excluded and the Bulgarian lev (BGN) and the Romanian leu (RON) included in the exchange rate table of the NBS. On 1 January 2007, Slovenia introduced the euro and Bulgaria and Romania joined the EU.

Average Quarterly Exchange Rates of the SKK against Selected Currencies

Midpoint rate	2006					2007
	Q1	Q2	Q3	Q4	Year	Q1
1 AUD	23.040	22.379	22.499	21.480	22.358	20.612
1 BGN	-	-	-	-	-	17.573
1 CYP	65.222	65.502	65.778	62.316	64.711	59.353
1 CZK	1.310	1.328	1.336	1.282	1.314	1.226
1 DKK	5.020	5.053	5.075	4.825	4.994	4.612
1 EUR	37.457	37.687	37.861	35.975	37.248	34.364
1 EEK	2.394	2.408	2.420	2.299	2.381	2.197
100 JPY	26.668	26.208	25.592	23.737	25.565	21.971
1 CAD	26.979	26.714	26.497	24.584	26.203	22.384
1 LTL	10.848	10.914	10.965	10.419	10.787	9.952
1 LVL	53.813	54.143	54.402	51.632	53.501	48.960
100 HUF	14.728	14.137	13.744	13.804	14.111	13.616
1 MTL	87.250	87.807	88.208	83.813	86.775	80.076
1 NOK	4.668	4.811	4.704	4.350	4.634	4.207
1 PLN	9.772	9.546	9.577	9.342	9.562	8.845
1 RON	-	-	-	-	-	10.162
100 SIT	15.639	15.726	15.802	15.013	15.546	-
1 CHF	24.028	24.105	24.023	22.593	23.692	21.268
1 SEK	4.005	4.052	4.103	3.936	4.024	3.743
1 USD	31.169	29.991	29.715	27.948	29.724	26.231
1 GBP	54.597	54.787	55.676	53.438	54.624	51.275
1 XDR	44.893	44.173	44.042	41.608	43.694	39.344

Note: With effect from 1 January 2007, the Slovenian tolar (SIT) has been excluded and the Bulgarian lev (BGN) and the Romanian leu (RON) included in the exchange rate table of the NBS. On 1 January 2007, Slovenia introduced the euro and Bulgaria and Romania joined the EU.

**Inflow of Foreign Direct Investment into Slovakia in 1999 – 2006***(Flows and stocks)***Corporate sector**

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	16,729	83,061	403.92	1,965.20
2000	97,454	161,988	2,109.39	3,418.26
2001	24,353	182,151	503.71	3,758.25
2002	174,180	259,517	3,842.06	6,482.09
2003	37,157	283,078	1,010.44	8,598.97
2004 ²⁾	29,008	329,948	899.33	11,578.75
2005 ³⁾	21,885	353,255	705.47	11,057.19
2006	58,159	409,752	1,956.63	15,611.98

Banking sector

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	-40	12,977	-0.97	307.03
2000	2,107	15,153	45.61	319.76
2001	37,095	52,245	767.27	1,077.95
2002	11,414	59,729	251.77	1,491.88
2003 ¹⁾	1,813	65,422	49.30	1,987.30
2004	5,115	66,644	158.58	2,338.71
2005	-2	66,641	-0.06	2,085.92
2006	-456	66,182	-15.34	2,521.60

Total

	SKK millions		USD millions	
	Inflows from January to December	Volume as at 31 December	Inflows from January to December	Volume as at 31 December
1999	16,689	96,038	402.95	2,272.23
2000	99,561	177,141	2,155.00	3,738.02
2001	61,448	234,396	1,270.98	4,836.20
2002	185,594	319,246	4,093.83	7,973.97
2003 ¹⁾	38,970	348,500	1,059.74	10,586.27
2004 ²⁾	34,123	396,592	1,057.91	13,917.46
2005 ³⁾	21,883	419,896	705.40	13,143.11
2006	57,703	475,934	1,941.29	18,133.58

1) Change in methodology – new accounting standards for banks.

2) Other capital funds included in the equity capital.

3) Change in methodology (higher limit for foreign exchange reporting obligation).

Inflow of Foreign Direct Investment¹⁾ during January to December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
Inflow of FDI in total	58,159	1,956.6	100.0	-456	-15.3	100.0	57,703	1,941.3	100.0
Structure of capital by investor									
Italy	31,679	1,065.8	54.5	45	1.5	-9.9	31,724	1,067.3	55.0
Austria	7,777	261.6	13.4	196	6.6	-43.0	7,973	268.2	13.8
Korea	7,884	265.2	13.6	0	0.0	0.0	7,884	265.2	13.7
Germany	4,504	151.5	7.7	0	0.0	0.0	4,504	151.5	7.8
Cyprus	3,213	108.1	5.5	0	0.0	0.0	3,213	108.1	5.6
Czech Republic	1,056	35.5	1.8	1	0.0	-0.2	1,057	35.6	1.8
Sweden	483	16.2	0.8	0	0.0	0.0	483	16.2	0.8
Switzerland	479	16.1	0.8	0	0.0	0.0	479	16.1	0.8
USA	472	15.9	0.8	0	0.0	0.0	472	15.9	0.8
Hungary	438	14.7	0.8	0	0.0	0.0	438	14.7	0.8
Other countries	174	5.9	0.3	-698	-23.5	153.1	-524	-17.6	-0.9
Structure of capital by sector									
Agriculture, hunting, and forestry	45	1.5	0.1	0	0.0	0.0	45	1.5	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	267	9.0	0.5	0	0.0	0.0	267	9.0	0.5
Manufacturing	14,789	497.5	25.4	0	0.0	0.0	14,789	497.5	25.6
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	173	5.8	0.3	0	0.0	0.0	173	5.8	0.3
Wholesale and retail trade, repairs of motor vehicles	2,938	98.8	5.1	0	0.0	0.0	2,938	98.8	5.1
Hotels and restaurants	32	1.1	0.1	0	0.0	0.0	32	1.1	0.1
Transport, storage, post and telecommunications	1,758	59.1	3.0	0	0.0	0.0	1,758	59.1	3.0
Financial intermediation	3,891	130.9	6.7	-456	-15.3	100.0	3,435	115.6	6.0
Real estate, renting and business activities	2,843	95.6	4.9	0	0.0	0.0	2,843	95.6	4.9
Public administration and defence, compulsory social security	31,355	1,054.9	53.9	0	0.0	0.0	31,355	1,054.9	54.3
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	67	2.3	0.1	0	0.0	0.0	67	2.3	0.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by region									
Bratislava region	42,971	1,445.7	73.9	-456	-15.3	100.0	42,515	1,430.3	73.7
Trnava region	1,553	52.2	2.7	0	0.0	0.0	1,553	52.2	2.7
Trenčín region	2,493	83.9	4.3	0	0.0	0.0	2,493	83.9	4.3
Nitra region	987	33.2	1.7	0	0.0	0.0	987	33.2	1.7
Žilina region	7,711	259.4	13.3	0	0.0	0.0	7,711	259.4	13.4
Banská Bystrica region	845	28.4	1.5	0	0.0	0.0	845	28.4	1.5
Prešov region	435	14.6	0.7	0	0.0	0.0	435	14.6	0.8
Košice region	1,164	39.2	2.0	0	0.0	0.0	1,164	39.2	2.0

Note: Preliminary data.

1) Equity capital.



Inflow of Foreign Direct Investment¹⁾ During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
Inflow of FDI in total	21,885	705.5	100.0	-2	-0.1	100.0	21,883	705.4	100.0
Structure of capital by investor									
Korea	6,543	210.9	29.9	0	0.0	0.0	6,543	210.9	29.9
Germany	6,431	207.3	29.4	-250	-8.1	12,500.0	6,181	199.2	28.2
Austria	3,107	100.2	14.2	-45	-1.5	2,250.0	3,062	98.7	14.0
Holand	1,378	44.4	6.3	3	0.1	-150.0	1,381	44.5	6.3
Switzerland	1,191	38.4	5.4	0	0.0	0.0	1,191	38.4	5.4
USA	1,031	33.2	4.7	0	0.0	0.0	1,031	33.2	4.7
Spain	784	25.3	3.6	0	0.0	0.0	784	25.3	3.6
United Kingdom	506	16.3	2.3	125	4.0	-6,250.0	631	20.3	2.9
Litva	417	13.4	1.9	0	0.0	0.0	417	13.4	1.9
Cyprus	321	10.3	1.5	0	0.0	0.0	321	10.3	1.5
Other countries	176	5.7	0.8	165	5.3	-8,250.0	341	11.0	1.6
Structure of capital by sector									
Agriculture, hunting, and forestry	-34	-1.1	-0.2	0	0.0	0.0	-34	-1.1	-0.2
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	8	0.3	0.0	0	0.0	0.0	8	0.3	0.0
Manufacturing	10,642	343.0	48.6	0	0.0	0.0	10,642	343.0	48.6
Electricity, gas, and water supply	323	10.4	1.5	0	0.0	0.0	323	10.4	1.5
Construction	190	6.1	0.9	0	0.0	0.0	190	6.1	0.9
Wholesale and retail trade, repairs of motor vehicles	3,183	102.6	14.5	0	0.0	0.0	3,183	102.6	14.5
Hotels and restaurants	29	0.9	0.1	0	0.0	0.0	29	0.9	0.1
Transport, storage, post and telecommunications	1,280	41.3	5.8	0	0.0	0.0	1,280	41.3	5.8
Financial intermediation	4,263	137.4	19.5	-2	-0.1	100.0	4,261	137.4	19.5
Real estate, renting and business activities	1,882	60.7	8.6	0	0.0	0.0	1,882	60.7	8.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	53	1.7	0.2	0	0.0	0.0	53	1.7	0.2
Other community, social, and personal services	66	2.1	0.3	0	0.0	0.0	66	2.1	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	7,136	230.0	32.6	-2	-0.1	100.0	7,134	230.0	32.6
Trnava region	682	22.0	3.1	0	0.0	0.0	682	22.0	3.1
Trenčín region	3,213	103.6	14.7	0	0.0	0.0	3,213	103.6	14.7
Nitra region	641	20.7	2.9	0	0.0	0.0	641	20.7	2.9
Žilina region	7,122	229.6	32.5	0	0.0	0.0	7,122	229.6	32.5
Banská Bystrica region	1,253	40.4	5.7	0	0.0	0.0	1,253	40.4	5.7
Prešov region	158	5.1	0.7	0	0.0	0.0	158	5.1	0.7
Košice region	1,680	54.2	7.7	0	0.0	0.0	1,680	54.2	7.7

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Inflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Inflow of FDI in total	29,008	899.3	100.0	5,115	158.6	100.0	34,123	1,057.9	100.0
Structure of capital by investor									
Austria	2,974	92.2	10.3	4,776	148.1	93.4	7,750	240.3	22.7
Hungary	6,863	212.8	23.7	-30	-0.9	-0.6	6,833	211.8	20.0
United Kingdom	6,050	187.6	20.9	-1,396	-43.3	-27.3	4,654	144.3	13.6
Czech Republic	4,605	142.8	15.9	-11	-0.3	-0.2	4,594	142.4	13.5
France	3,749	116.2	12.9	-136	-4.2	-2.7	3,613	112.0	10.6
Germany	3,340	103.5	11.5	253	7.8	4.9	3,593	111.4	10.5
Louxeubourg	3,185	98.7	11.0	0	0.0	0.0	3,185	98.7	9.3
Korea	2,208	68.5	7.6	0	0.0	0.0	2,208	68.5	6.5
Switzerland	950	29.5	3.3	0	0.0	0.0	950	29.5	2.8
Italy	734	22.8	2.5	-13	-0.4	-0.3	721	22.4	2.1
Other countries	-5,650	-175.2	-19.5	1,672	51.8	32.7	-3,978	-123.3	-11.7
Structure of capital by sector									
Agriculture, hunting, and forestry	348	10.8	1.2	0	0.0	0.0	348	10.8	1.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	-8	-0.2	0.0	0	0.0	0.0	-8	-0.2	0.0
Manufacturing	25,670	795.8	88.5	0	0.0	0.0	25,670	795.8	75.2
Electricity, gas, and water supply	-253	-7.8	-0.9	0	0.0	0.0	-253	-7.8	-0.7
Construction	487	15.1	1.7	0	0.0	0.0	487	15.1	1.4
Wholesale and retail trade, repairs of motor vehicles	8,673	268.9	29.9	0	0.0	0.0	8,673	268.9	25.4
Hotels and restaurants	-17	-0.5	-0.1	0	0.0	0.0	-17	-0.5	0.0
Transport, storage, post and telecommunications	-8,436	-261.5	-29.1	0	0.0	0.0	-8,436	-261.5	-24.7
Financial intermediation	1,155	35.8	4.0	5,115	158.6	100.0	6,270	194.4	18.4
Real estate, renting and business activities	1,239	38.4	4.3	0	0.0	0.0	1,239	38.4	3.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	18	0.6	0.1	0	0.0	0.0	18	0.6	0.1
Other community, social, and personal services	132	4.1	0.5	0	0.0	0.0	132	4.1	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	17,205	533.4	59.3	5,004	155.1	97.8	22,209	688.5	65.1
Trnava region	4,124	127.9	14.2	0	0.0	0.0	4,124	127.9	12.1
Trenčín region	2,292	71.1	7.9	0	0.0	0.0	2,292	71.1	6.7
Nitra region	120	3.7	0.4	0	0.0	0.0	120	3.7	0.4
Žilina region	2,315	71.8	8.0	73	2.3	1.4	2,388	74.0	7.0
Banská Bystrica region	850	26.4	2.9	38	1.2	0.7	888	27.5	2.6
Prešov region	1,081	33.5	3.7	0	0.0	0.0	1,081	33.5	3.2
Košice region	1,021	31.7	3.5	0	0.0	0.0	1,021	31.7	3.0

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ as at 31 December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
Total volume of FDI	409,752	15,612.0	100.0	66,182	2,521.6	100.0	475,934	18,133.6	100.0
Structure of capital by investor									
The Netherlands	92,066	3,507.8	22.5	612	23.3	0.9	92,678	3,531.1	19.5
Germany	85,993	3,276.4	21.0	861	32.8	1.3	86,854	3,309.2	18.2
Austria	37,574	1,431.6	9.2	33,067	1,259.9	50.0	70,641	2,691.5	14.8
Italy	34,761	1,324.4	8.5	24,185	921.5	36.5	58,946	2,245.9	12.4
Hungary	27,181	1,035.6	6.6	2,007	76.5	3.0	29,188	1,112.1	6.1
United Kingdom	25,136	957.7	6.1	0	0.0	0.0	25,136	957.7	5.3
Czech Republic	16,136	614.8	3.9	3,486	132.8	5.3	19,622	747.6	4.1
Korea	17,063	650.1	4.2	0	0.0	0.0	17,063	650.1	3.6
USA	14,195	540.8	3.5	1,650	62.9	2.5	15,845	603.7	3.3
Cyprus	12,892	491.2	3.1	0	0.0	0.0	12,892	491.2	2.7
Other countries	46,755	1,781.4	11.4	314	12.0	0.5	47,069	1,793.4	9.9
Structure of capital by sector									
Agriculture, hunting, and forestry	1,828	69.6	0.4	0	0.0	0.0	1,828	69.6	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,736	104.2	0.7	0	0.0	0.0	2,736	104.2	0.6
Manufacturing	186,017	7,087.4	45.4	0	0.0	0.0	186,017	7,087.4	39.1
Electricity, gas, and water supply	66,001	2,514.7	16.1	0	0.0	0.0	66,001	2,514.7	13.9
Construction	3,330	126.9	0.8	0	0.0	0.0	3,330	126.9	0.7
Wholesale and retail trade, repairs of motor vehicles	54,796	2,087.8	13.4	0	0.0	0.0	54,796	2,087.8	11.5
Hotels and restaurants	2,370	90.3	0.6	0	0.0	0.0	2,370	90.3	0.5
Transport, storage, post and telecommunications	40,161	1,530.2	9.8	0	0.0	0.0	40,161	1,530.2	8.4
Financial intermediation	25,416	968.4	6.2	66,182	2,521.6	100.0	91,598	3,490.0	19.2
Real estate, renting and business activities	23,907	910.9	5.8	0	0.0	0.0	23,907	910.9	5.0
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,623	61.8	0.4	0	0.0	0.0	1,623	61.8	0.3
Other community, social, and personal services	1,567	59.7	0.4	0	0.0	0.0	1,567	59.7	0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	253,699	9,666.2	61.9	65,232	2,485.4	98.6	318,931	12,151.6	67.0
Trnava region	26,265	1,000.7	6.4	0	0.0	0.0	26,265	1,000.7	5.5
Trenčín region	23,164	882.6	5.7	0	0.0	0.0	23,164	882.6	4.9
Nitra region	14,484	551.9	3.5	0	0.0	0.0	14,484	551.9	3.0
Žilina region	34,138	1,300.7	8.3	950	36.2	1.4	35,088	1,336.9	7.4
Banská Bystrica region	12,414	473.0	3.0	0	0.0	0.0	12,414	473.0	2.6
Prešov region	7,858	299.4	1.9	0	0.0	0.0	7,858	299.4	1.7
Košice region	37,730	1,437.6	9.2	0	0.0	0.0	37,730	1,437.6	7.9

Note: Preliminary data.

1) Equity capital.

Volume of Foreign Direct Investment¹⁾ as at 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
Total volume of FDI	353,255	11,057.2	100.0	66,641	2,085.9	100.0	419,896	13,143.1	100.0
Structure of capital by investor									
The Netherlands	88,893	2,782.4	25.2	616	19.3	0.9	89,509	2,801.7	21.3
Germany	82,047	2,568.1	23.2	860	26.9	1.3	82,907	2,595.1	19.7
Austria	31,571	988.2	8.9	32,868	1,028.8	49.3	64,439	2,017.0	15.3
Hungary	27,311	854.9	7.7	2,007	62.8	3.0	29,318	917.7	7.0
Italy	5,118	160.2	1.4	24,144	755.7	36.2	29,262	915.9	7.0
United Kingdom	27,263	853.4	7.7	473	14.8	0.7	27,736	868.2	6.6
Czech Republic	15,641	489.6	4.4	3,485	109.1	5.2	19,126	598.7	4.6
USA	13,945	436.5	3.9	1,650	51.6	2.5	15,595	488.1	3.7
France	10,848	339.6	3.1	500	15.7	0.8	11,348	355.2	2.7
Cyprus	9,406	294.4	2.7	0	0.0	0.0	9,406	294.4	2.2
Other countries	41,212	1,290.0	11.7	38	1.2	0.1	41,250	1,291.2	9.8
Structure of capital by sector									
Agriculture, hunting, and forestry	1,783	55.8	0.5	0	0.0	0.0	1,783	55.8	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,640	82.6	0.7	0	0.0	0.0	2,640	82.6	0.6
Manufacturing	169,956	5,319.8	48.1	0	0.0	0.0	169,956	5,319.8	40.5
Electricity, gas, and water supply	38,271	1,197.9	10.8	0	0.0	0.0	38,271	1,197.9	9.1
Construction	3,159	98.9	0.9	0	0.0	0.0	3,159	98.9	0.8
Wholesale and retail trade, repairs of motor vehicles	51,433	1,609.9	14.6	0	0.0	0.0	51,433	1,609.9	12.2
Hotels and restaurants	2,348	73.5	0.7	0	0.0	0.0	2,348	73.5	0.6
Transport, storage, post and telecommunications	38,185	1,195.2	10.8	0	0.0	0.0	38,185	1,195.2	9.1
Financial intermediation	24,955	781.1	7.1	66,641	2,085.9	100.0	91,596	2,867.0	21.8
Real estate, renting and business activities	17,422	545.3	4.9	0	0.0	0.0	17,422	545.3	4.1
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,622	50.8	0.5	0	0.0	0.0	1,622	50.8	0.4
Other community, social, and personal services	1,481	46.4	0.4	0	0.0	0.0	1,481	46.4	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	213,503	6,682.8	60.4	65,691	2,056.2	98.6	279,194	8,739.0	66.5
Trnava region	24,807	776.5	7.0	0	0.0	0.0	24,807	776.5	5.9
Trenčín region	20,990	657.0	5.9	0	0.0	0.0	20,990	657.0	5.0
Nitra region	13,735	429.9	3.9	0	0.0	0.0	13,735	429.9	3.3
Žilina region	25,272	791.0	7.2	950	29.7	1.4	26,222	820.8	6.2
Banská Bystrica region	11,467	358.9	3.2	0	0.0	0.0	11,467	358.9	2.7
Prešov region	7,394	231.4	2.1	0	0.0	0.0	7,394	231.4	1.8
Košice region	36,087	1,129.6	10.2	0	0.0	0.0	36,087	1,129.6	8.6

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Volume of Foreign Direct Investment¹⁾ as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI	329,948	11,578.7	100.0	66,644	2,338.7	100.0	396,592	13,917.5	100.0
Structure of capital by investor									
The Netherlands	90,510	3,176.2	27.4	613	21.5	0.9	91,123	3,197.7	23.0
Germany	75,333	2,643.6	22.8	1,110	39.0	1.7	76,443	2,682.6	19.3
Austria	23,895	838.5	7.2	32,926	1,155.5	49.4	56,821	1,994.0	14.3
Hungary	27,353	959.9	8.3	1,952	68.5	2.9	29,305	1,028.4	7.4
Italy	5,023	176.3	1.5	24,143	847.2	36.2	29,166	1,023.5	7.4
United Kingdom	26,980	946.8	8.2	349	12.2	0.5	27,329	959.0	6.9
Czech Republic	17,033	597.7	5.2	3,486	122.3	5.2	20,519	720.1	5.2
USA	12,374	434.2	3.8	1,650	57.9	2.5	14,024	492.1	3.5
France	11,888	417.2	3.6	415	14.6	0.6	12,303	431.7	3.1
Cyprus	9,128	320.3	2.8	0	0.0	0.0	9,128	320.3	2.3
Other countries	30,431	1,067.9	9.2	0	0.0	0.0	30,431	1,067.9	7.7
Structure of capital by sector									
Agriculture, hunting, and forestry	1,718	60.3	0.5	0	0.0	0.0	1,718	60.3	0.4
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	2,556	89.7	0.8	0	0.0	0.0	2,556	89.7	0.6
Manufacturing	160,407	5,629.1	48.6	0	0.0	0.0	160,407	5,629.1	40.4
Electricity, gas, and water supply	38,056	1,335.5	11.5	0	0.0	0.0	38,056	1,335.5	9.6
Construction	2,876	100.9	0.9	0	0.0	0.0	2,876	100.9	0.7
Wholesale and retail trade, repairs of motor vehicles	51,159	1,795.3	15.5	0	0.0	0.0	51,159	1,795.3	12.9
Hotels and restaurants	2,058	72.2	0.6	0	0.0	0.0	2,058	72.2	0.5
Transport, storage, post and telecommunications	36,322	1,274.6	11.0	0	0.0	0.0	36,322	1,274.6	9.2
Financial intermediation	17,158	602.1	5.2	66,644	2,338.7	100.0	83,802	2,940.8	21.1
Real estate, renting and business activities	14,546	510.5	4.4	0	0.0	0.0	14,546	510.5	3.7
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	1,570	55.1	0.5	0	0.0	0.0	1,570	55.1	0.4
Other community, social, and personal services	1,522	53.4	0.5	0	0.0	0.0	1,522	53.4	0.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	204,560	7,178.6	62.0	65,202	2,288.1	97.8	269,762	9,466.7	68.0
Trnava region	23,939	840.1	7.3	0	0.0	0.0	23,939	840.1	6.0
Trenčín region	17,533	615.3	5.3	0	0.0	0.0	17,533	615.3	4.4
Nitra region	12,999	456.2	3.9	0	0.0	0.0	12,999	456.2	3.3
Žilina region	19,184	673.2	5.8	950	33.3	1.4	20,134	706.6	5.1
Banská Bystrica region	10,185	357.4	3.1	492	17.3	0.7	10,677	374.7	2.7
Prešov region	7,114	249.6	2.2	0	0.0	0.0	7,114	249.6	1.8
Košice region	34,434	1,208.4	10.4	0	0.0	0.0	34,434	1,208.4	8.7

1) Equity capital + reinvested earnings.



Outflow of Foreign Direct Investment from Slovakia in 1999 – 2006

(Flows and stocks)

Corporate sector

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	739	12,732	17.84	301.24
2000	975	15,222	21.10	321.21
2001	3,441	21,403	71.17	441.60
2002	364	19,121	8.03	477.60
2003	664	17,950	18.06	545.26
2004 ²⁾	2,536	20,321	78.62	713.12
2005 ³⁾	3,139	23,744	101.19	743.21
2006	9,463	32,275	318.36	1,229.71

Banking sector

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	-17,110	69	-413.12	1.63
2000	99	189	2.14	3.99
2001	8	198	0.17	4.09
2002	0	164	0.00	4.10
2003 ¹⁾	43	196	1.17	5.95
2004	-29	527	-0.90	18.49
2005	302	839	9.74	26.26
2006	58	861	1.95	32.80

Total

	SKK millions		USD millions	
	Net change	Volume as at 31 December	Net change	Volume as at 31 December
1999	-16,371	12,801	-395.27	302.87
2000	1,074	15,411	23.25	325.20
2001	3,449	21,601	71.34	445.68
2002	364	19,285	8.03	481.69
2003 ¹⁾	707	18,146	19.23	551.22
2004 ²⁾	2,507	20,848	77.72	731.61
2005 ³⁾	3,441	24,583	110.92	769.47
2006	9,521	33,136	320.31	1,262.52

Note: The data for 2004 – 2006 are preliminary.

1) Change in methodology – new accounting standards for banks.

2) Change in methodology – other capital funds included.

3) Change in methodology (higher limit for foreign exchange reporting obligation).



Outflow of Foreign Direct Investment¹⁾ During January to December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 29.724									
Outflow of FDI in total	9,463	318.4	100.0	58	2.0	100.0	9,521	320.3	100.0
Structure of capital by country of investment									
Luxembourg	7,139	240.2	75.4	0	0.0	0.0	7,139	240.2	75.0
Czech Republic	3,058	102.9	32.3	10	0.3	17.2	3,068	103.2	32.2
Russia	568	19.1	6.0	0	0.0	0.0	568	19.1	6.0
Cyprus	422	14.2	4.5	0	0.0	0.0	422	14.2	4.4
United Kingdom	308	10.4	3.3	0	0.0	0.0	308	10.4	3.2
Ukraine	308	10.4	3.3	0	0.0	0.0	308	10.4	3.2
Poland	192	6.5	2.0	0	0.0	0.0	192	6.5	2.0
Austria	140	4.7	1.5	0	0.0	0.0	140	4.7	1.5
Croatia	40	1.3	0.4	0	0.0	0.0	40	1.3	0.4
Bosna and Hercegovina	27	0.9	0.3	0	0.0	0.0	27	0.9	0.3
Other countries	-2,739	-92.1	-28.9	48	1.6	82.8	-2,691	-90.5	-28.3
Structure of capital by sector									
Agriculture, hunting, and forestry	-1	0.0	0.0	0	0.0	0.0	-1	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	424	14.3	4.5	0	0.0	0.0	424	14.3	4.5
Manufacturing	-1,438	-48.4	-15.2	0	0.0	0.0	-1,438	-48.4	-15.1
Electricity, gas, and water supply	13	0.4	0.1	0	0.0	0.0	13	0.4	0.1
Construction	204	6.9	2.2	0	0.0	0.0	204	6.9	2.1
Wholesale and retail trade, repairs of motor vehicles	541	18.2	5.7	0	0.0	0.0	541	18.2	5.7
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	263	8.8	2.8	0	0.0	0.0	263	8.8	2.8
Financial intermediation	4,562	153.5	48.2	58	2.0	100.0	4,620	155.4	48.5
Real estate, renting and business activities	4,921	165.6	52.0	0	0.0	0.0	4,921	165.6	51.7
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-26	-0.9	-0.3	0	0.0	0.0	-26	-0.9	-0.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	7,782	261.8	82.2	58	2.0	100.0	7,840	263.8	82.3
Trnava region	433	14.6	4.6	0	0.0	0.0	433	14.6	4.5
Trenčín region	496	16.7	5.2	0	0.0	0.0	496	16.7	5.2
Nitra region	143	4.8	1.5	0	0.0	0.0	143	4.8	1.5
Žilina region	39	1.3	0.4	0	0.0	0.0	39	1.3	0.4
Banská Bystrica region	526	17.7	5.6	0	0.0	0.0	526	17.7	5.5
Prešov region	36	1.2	0.4	0	0.0	0.0	36	1.2	0.4
Košice region	8	0.3	0.1	0	0.0	0.0	8	0.3	0.1

Note: Preliminary data.

1) Equity capital.


Outflow of Foreign Direct Investment¹⁾ During January to December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.022									
Outflow of FDI in total	3,139	101.2	100.0	302	9.7	100.0	3,441	110.9	100.0
Structure of capital by country of investment									
Czech Republic	2,135	68.8	68.0	8	0.3	2.6	2,143	69.1	62.3
Switzerland	661	21.3	21.1	0	0.0	0.0	661	21.3	19.2
The Netherlands	0	0.0	0.0	291	9.4	96.4	291	9.4	8.5
Cyprus	266	8.6	8.5	0	0.0	0.0	266	8.6	7.7
Russia	106	3.4	3.4	3	0.1	1.0	109	3.5	3.2
Croatia	97	3.1	3.1	0	0.0	0.0	97	3.1	2.8
Poland	48	1.5	1.5	0	0.0	0.0	48	1.5	1.4
Ethiopia	29	0.9	0.9	0	0.0	0.0	29	0.9	0.8
Bosna and Hercegovina	29	0.9	0.9	0	0.0	0.0	29	0.9	0.8
Serbia and Montenegro	8	0.3	0.3	0	0.0	0.0	8	0.3	0.2
Other countries	-240	-7.7	-7.6	0	0.0	0.0	-240	-7.7	-7.0
Structure of capital by sector									
Agriculture, hunting, and forestry	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	58	1.9	1.8	0	0.0	0.0	58	1.9	1.7
Manufacturing	466	15.0	14.8	0	0.0	0.0	466	15.0	13.5
Electricity, gas, and water supply	40	1.3	1.3	0	0.0	0.0	40	1.3	1.2
Construction	-349	-11.3	-11.1	0	0.0	0.0	-349	-11.3	-10.1
Wholesale and retail trade, repairs of motor vehicles	252	8.1	8.0	0	0.0	0.0	252	8.1	7.3
Hotels and restaurants	94	3.0	3.0	0	0.0	0.0	94	3.0	2.7
Transport, storage, post and telecommunications	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Financial intermediation	1,909	61.5	60.8	302	9.7	100.0	2,211	71.3	64.3
Real estate, renting and business activities	666	21.5	21.2	0	0.0	0.0	666	21.5	19.4
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	3	0.1	0.1	0	0.0	0.0	3	0.1	0.1
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	2,924	94.3	93.2	302	9.7	100.0	3,226	104.0	93.8
Trnava region	111	3.6	3.5	0	0.0	0.0	111	3.6	3.2
Trenčín region	-14	-0.5	-0.4	0	0.0	0.0	-14	-0.5	-0.4
Nitra region	27	0.9	0.9	0	0.0	0.0	27	0.9	0.8
Žilina region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Banská Bystrica region	100	3.2	3.2	0	0.0	0.0	100	3.2	2.9
Prešov region	-22	-0.7	-0.7	0	0.0	0.0	-22	-0.7	-0.6
Košice region	15	0.5	0.5	0	0.0	0.0	15	0.5	0.4

Note: Preliminary data.

1) Equity capital + reinvested earnings.



Outflow of Foreign Direct Investment¹⁾ During January to December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 32.255									
Outflow of FDI in total	2,536	78.6	100.0	-29	-0.9	100.0	2,507	77.7	100.0
Structure of capital by country of investment									
Czech Republic	1,620	50.2	63.9	-29	-0.9	100.0	1,591	49.3	63.5
Slovenia	468	14.5	18.5	0	0.0	0.0	468	14.5	18.7
Ethiopia	229	7.1	9.0	0	0.0	0.0	229	7.1	9.1
The Netherlands	196	6.1	7.7	0	0.0	0.0	196	6.1	7.8
Russia	112	3.5	4.4	0	0.0	0.0	112	3.5	4.5
India	58	1.8	2.3	0	0.0	0.0	58	1.8	2.3
Cyprus	49	1.5	1.9	0	0.0	0.0	49	1.5	2.0
Bosnia and Herzegovina	28	0.9	1.1	0	0.0	0.0	28	0.9	1.1
Brazil	26	0.8	1.0	0	0.0	0.0	26	0.8	1.0
Poland	22	0.7	0.9	0	0.0	0.0	22	0.7	0.9
Other countries	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8
Structure of capital by sector									
Agriculture, hunting, and forestry	7	0.2	0.3	0	0.0	0.0	7	0.2	0.3
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Manufacturing	993	30.8	39.2	0	0.0	0.0	993	30.8	39.6
Electricity, gas, and water supply	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Construction	-86	-2.7	-3.4	0	0.0	0.0	-86	-2.7	-3.4
Wholesale and retail trade, repairs of motor vehicles	1,596	49.5	62.9	0	0.0	0.0	1,596	49.5	63.7
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	1	0.0	0.0	0	0.0	0.0	1	0.0	0.0
Financial intermediation	-240	-7.4	-9.5	-29	-0.9	100.0	-269	-8.3	-10.7
Real estate, renting and business activities	269	8.3	10.6	0	0.0	0.0	269	8.3	10.7
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	-5	-0.2	-0.2	0	0.0	0.0	-5	-0.2	-0.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	1,921	59.6	75.7	-29	-0.9	100.0	1,892	58.7	75.5
Trnava region	-46	-1.4	-1.8	0	0.0	0.0	-46	-1.4	-1.8
Trenčín region	893	27.7	35.2	0	0.0	0.0	893	27.7	35.6
Nitra region	-2	-0.1	-0.1	0	0.0	0.0	-2	-0.1	-0.1
Žilina region	-66	-2.0	-2.6	0	0.0	0.0	-66	-2.0	-2.6
Banská Bystrica region	12	0.4	0.5	0	0.0	0.0	12	0.4	0.5
Prešov region	96	3.0	3.8	0	0.0	0.0	96	3.0	3.8
Košice region	-272	-8.4	-10.7	0	0.0	0.0	-272	-8.4	-10.8

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2006

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 26.246									
Total volume of FDI outward	32,275	1,229.7	100.0	861	32.8	100.0	33,136	1,262.5	100.0
Structure of capital by country of investment									
Czech Republic	12,527	477.3	38.8	546	20.8	63.4	13,073	498.1	39.5
Luxembourg	7,889	300.6	24.4	0	0.0	0.0	7,889	300.6	23.8
United Kingdom	2,578	98.2	8.0	0	0.0	0.0	2,578	98.2	7.8
Ukraine	2,057	78.4	6.4	0	0.0	0.0	2,057	78.4	6.2
Poland	1,209	46.1	3.7	0	0.0	0.0	1,209	46.1	3.6
Ireland	1,069	40.7	3.3	0	0.0	0.0	1,069	40.7	3.2
Russia	1,049	40.0	3.3	0	0.0	0.0	1,049	40.0	3.2
Cyprus	957	36.5	3.0	0	0.0	0.0	957	36.5	2.9
Austria	610	23.2	1.9	0	0.0	0.0	610	23.2	1.8
Slovenia	468	17.8	1.5	0	0.0	0.0	468	17.8	1.4
Other countries	1,862	70.9	5.8	315	12.0	36.6	2,177	82.9	6.6
Structure of capital by sector									
Agriculture, hunting and forestry	18	0.7	0.1	0	0.0	0.0	18	0.7	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mining and quarrying	1,560	59.4	4.8	0	0.0	0.0	1,560	59.4	4.7
Manufacturing	6,177	235.4	19.1	0	0.0	0.0	6,177	235.4	18.6
Electricity, gas and water supply	1,456	55.5	4.5	0	0.0	0.0	1,456	55.5	4.4
Construction	255	9.7	0.8	0	0.0	0.0	255	9.7	0.8
Wholesale and retail trade, repairs of motor vehicles	3,156	120.2	9.8	0	0.0	0.0	3,156	120.2	9.5
Hotels and restaurants	84	3.2	0.3	0	0.0	0.0	84	3.2	0.3
Transport, storage and communication	298	11.4	0.9	0	0.0	0.0	298	11.4	0.9
Financial intermediation	9,366	356.9	29.0	861	32.8	100.0	10,227	389.7	30.9
Real estate, renting and business activities	8,439	321.5	26.1	0	0.0	0.0	8,439	321.5	25.5
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social and personal service activities	1,466	55.9	4.5	0	0.0	0.0	1,466	55.9	4.4
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra – territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	23,362	890.1	72.4	861	32.8	100.0	24,223	922.9	73.1
Trnava region	2,252	85.8	7.0	0	0.0	0.0	2,252	85.8	6.8
Trenčín region	1,763	67.2	5.5	0	0.0	0.0	1,763	67.2	5.3
Nitra region	213	8.1	0.7	0	0.0	0.0	213	8.1	0.6
Žilina region	209	8.0	0.6	0	0.0	0.0	209	8.0	0.6
Banská Bystrica region	2,065	78.7	6.4	0	0.0	0.0	2,065	78.7	6.2
Prešov region	567	21.6	1.8	0	0.0	0.0	567	21.6	1.7
Košice region	1,844	70.3	5.7	0	0.0	0.0	1,844	70.3	5.6

Note: Preliminary data.

1) Equity capital.



Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2005

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 31.948									
Total volume of FDI outward	23,744	743.2	100.0	839	26.3	100.0	24,583	769.5	100.0
Structure of capital by country of investment									
Czech Republic	12,225	382.7	51.5	499	15.6	59.5	12,724	398.3	51.8
United Kingdom	2,283	71.5	9.6	0	0.0	0.0	2,283	71.5	9.3
Ukraine	1,812	56.7	7.6	0	0.0	0.0	1,812	56.7	7.4
Ireland	1,140	35.7	4.8	0	0.0	0.0	1,140	35.7	4.6
Poland	930	29.1	3.9	0	0.0	0.0	930	29.1	3.8
Switzerland	854	26.7	3.6	0	0.0	0.0	854	26.7	3.5
Luxembourg	808	25.3	3.4	0	0.0	0.0	808	25.3	3.3
Russia	623	19.5	2.6	0	0.0	0.0	623	19.5	2.5
Cyprus	512	16.0	2.2	0	0.0	0.0	512	16.0	2.1
Slovenia	469	14.7	2.0	0	0.0	0.0	469	14.7	1.9
Other countries	2,088	65.4	8.8	340	10.6	40.5	2,428	76.0	9.9
Structure of capital by sector									
Agriculture, hunting, and forestry	20	0.6	0.1	0	0.0	0.0	20	0.6	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	1,149	36.0	4.8	0	0.0	0.0	1,149	36.0	4.7
Manufacturing	5,152	161.3	21.7	0	0.0	0.0	5,152	161.3	21.0
Electricity, gas, and water supply	1,495	46.8	6.3	0	0.0	0.0	1,495	46.8	6.1
Construction	53	1.7	0.2	0	0.0	0.0	53	1.7	0.2
Wholesale and retail trade, repairs of motor vehicles	5,751	180.0	24.2	0	0.0	0.0	5,751	180.0	23.4
Hotels and restaurants	91	2.8	0.4	0	0.0	0.0	91	2.8	0.4
Transport, storage, post and telecommunications	43	1.3	0.2	0	0.0	0.0	43	1.3	0.2
Financial intermediation	4,943	154.7	20.8	839	26.3	100.0	5,782	181.0	23.5
Real estate, renting and business activities	3,487	109.1	14.7	0	0.0	0.0	3,487	109.1	14.2
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	1,560	48.8	6.6	0	0.0	0.0	1,560	48.8	6.3
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	15,459	483.9	65.1	839	26.3	100.0	16,298	510.1	66.3
Trnava region	1,935	60.6	8.1	0	0.0	0.0	1,935	60.6	7.9
Trenčín region	1,518	47.5	6.4	0	0.0	0.0	1,518	47.5	6.2
Nitra region	74	2.3	0.3	0	0.0	0.0	74	2.3	0.3
Žilina region	545	17.1	2.3	0	0.0	0.0	545	17.1	2.2
Banská Bystrica region	1,617	50.6	6.8	0	0.0	0.0	1,617	50.6	6.6
Prešov region	744	23.3	3.1	0	0.0	0.0	744	23.3	3.0
Košice region	1,852	58.0	7.8	0	0.0	0.0	1,852	58.0	7.5

Note: Preliminary data.

1) Equity capital + reinvested earnings.

Volume of Foreign Direct Investment¹⁾ Outward as at 31 December 2004

	Corporate sector			Banking sector			Total		
	SKK millions	USD millions	%	SKK millions	USD millions	%	SKK millions	USD millions	%
Exchange rate applied: USD 1 = SKK 28.496									
Total volume of FDI outward	20,321	713.1	100.0	527	18.5	100.0	20,848	731.6	100.0
Structure of capital by country of investment									
Czech Republic	9,123	320.2	44.9	481	16.9	91.3	9,604	337.0	46.1
United Kingdom	2,282	80.1	11.2	0	0.0	0.0	2,282	80.1	10.9
Ukraine	1,238	43.4	6.1	0	0.0	0.0	1,238	43.4	5.9
Ireland	1,136	39.9	5.6	0	0.0	0.0	1,136	39.9	5.4
Hungary	1,130	39.7	5.6	0	0.0	0.0	1,130	39.7	5.4
Luxembourg	1,111	39.0	5.5	0	0.0	0.0	1,111	39.0	5.3
Poland	867	30.4	4.3	0	0.0	0.0	867	30.4	4.2
Austria	646	22.7	3.2	0	0.0	0.0	646	22.7	3.1
Russia	474	16.6	2.3	0	0.0	0.0	474	16.6	2.3
Slovenia	468	16.4	2.3	0	0.0	0.0	468	16.4	2.2
Other countries	1,846	64.8	9.1	46	1.6	8.7	1,892	66.4	9.1
Structure of capital by sector									
Agriculture, hunting, and forestry	30	1.1	0.1	0	0.0	0.0	30	1.1	0.1
Fishing	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Mineral raw materials extraction	521	18.3	2.6	0	0.0	0.0	521	18.3	2.5
Manufacturing	4,680	164.2	23.0	0	0.0	0.0	4,680	164.2	22.4
Electricity, gas, and water supply	1,414	49.6	7.0	0	0.0	0.0	1,414	49.6	6.8
Construction	413	14.5	2.0	0	0.0	0.0	413	14.5	2.0
Wholesale and retail trade, repairs of motor vehicles	5,808	203.8	28.6	0	0.0	0.0	5,808	203.8	27.9
Hotels and restaurants	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Transport, storage, post and telecommunications	42	1.5	0.2	0	0.0	0.0	42	1.5	0.2
Financial intermediation	3,079	108.1	15.2	527	18.5	100.0	3,606	126.5	17.3
Real estate, renting and business activities	2,836	99.5	14.0	0	0.0	0.0	2,836	99.5	13.6
Public administration and defence, compulsory social security	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Education	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Health and social work	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Other community, social, and personal services	1,498	52.6	7.4	0	0.0	0.0	1,498	52.6	7.2
Activities of private households	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Extra-territorial organizations and bodies	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0
Structure of capital by regions									
Bratislava region	13,061	458.3	64.3	527	18.5	100.0	13,588	476.8	65.2
Trnava region	1,779	62.4	8.8	0	0.0	0.0	1,779	62.4	8.5
Trenčín region	1,460	51.2	7.2	0	0.0	0.0	1,460	51.2	7.0
Nitra region	39	1.4	0.2	0	0.0	0.0	39	1.4	0.2
Žilina region	564	19.8	2.8	0	0.0	0.0	564	19.8	2.7
Banská Bystrica region	1,654	58.0	8.1	0	0.0	0.0	1,654	58.0	7.9
Prešov region	619	21.7	3.0	0	0.0	0.0	619	21.7	3.0
Košice region	1,145	40.2	5.6	0	0.0	0.0	1,145	40.2	5.5

1) Equity capital + reinvested earnings.